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# THE UNITED STATES AND GREAT BRITAIN NAVIGATE THE ANGLO-IRANIAN OIL CRISIS

*Mary Ann Heiss*

*This essay explores the shifting Anglo-American relationship regarding the Iranian oil nationalization crisis of the 1950s. It breaks U.S. policy toward the oil crisis into three rough phases of involvement: the era of U.S. benevolent neutrality; the era of Anglo-American partnership; and the era of U.S. domination. Although the chronological distinctions between these three phases are somewhat blurry, dividing U.S. policy into different eras makes clear Washington's progression from a neutral broker of an Anglo-Iranian settlement to the major shaper of the settlement that ultimately resolved the crisis. In the end, U.S. interests came to completely dominate the resolution of the crisis so that in Iran, as elsewhere, British influence came to be supplanted by that of the United States.*

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). The AIOC and its predecessor, the Anglo-Persian Oil Company (APOC), had run Iran's oil industry since the first decade 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 oil crisis it held slightly more than half—or a controlling interest—in that company's successor. The relationship between the Iranian government and the oil company was never particularly harmonious. Financial arrangements, especially the relatively low level of royalties the company paid to Iran, the almost total absence of high-ranking Iranians within the company, and the overall aura of secrecy that pervaded the company's operations led to Iranian discontent. Added to these practical complaints was the growing sense of Iranian nationalism after the Second World War. Nationalism, rather than a simple desire for greater oil revenues, motivated Iranian policy and sustained that policy when its fruits proved bitter. It helps to explain why Iran wanted Britain to abandon its exclusive control of the Iranian oil industry and why the Iranians persisted despite tremendous economic hardship. It also helps to account for the

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*Mary Ann Heiss, Department of History, Kent State University*

decline of Western power in Iran and in other parts of the world where Western leaders failed to take nationalism as seriously as they might have.

The Anglo-Iranian oil dispute seemed irresolvable from the start. Each side saw the conflict differently, and neither showed much willingness to compromise. The AIOC and the British Foreign Office emphasized legal issues, denied that Iran had the right to nationalize its oil industry, and 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. 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. For British officials, this last consideration was paramount, as the crux of the matter for them was the danger that Iranian nationalization posed to their nation's status as a great power. As Britain's largest overseas investment, the refinery at Abadan and the AIOC's Iranian operations symbolized Britain's 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 global 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.<sup>1</sup>

By way of contrast, the Iranian stance during the oil dispute stressed politics and national independence. Although Iranian nationalists complained bitterly about the relatively small profits they received from the AIOC's Iranian operations—their royalties between 1945 and 1950 totaled only £90 million, slightly more than one-third of what the AIOC earned from its Iranian operations—what most galled them was the imperious way the company used its oil concession to dominate and control their nation almost as a colony. Convinced that the AIOC and the British government had interfered in Iran's internal affairs for decades by bribing legislators, influencing elections, and essentially holding the country hostage financially, nationalists like Prime Minister Mohammed Mossadeq asserted that such interference would stop only after Iran had gained control of its rich oil holdings. Mossadeq was ultimately willing to make concessions on price, production levels, and other technical details, but he would not budge on the central point that operational control of the oil industry had

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to rest in Iranian hands. Unless British officials were willing to concede that point, the prime minister was prepared to see his nation's oil industry shut down. "Tant pis pour nous. Too bad for us," was his usual response when Anglo-American officials warned him that his refusal to reach a resolution of the oil dispute might imperil the industry.<sup>2</sup> To his way of thinking, Iran would be better off leaving its oil in the ground than allowing the British to remain in control. The nation's "independence," he said, was more important than "economics."<sup>3</sup>

It was the inability of the British and the Iranians to resolve the oil dispute on their own that ultimately brought the United States into the conflict. U.S. officials saw the oil crisis 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 Persian 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 crucial to the reconstruction and rearmament of Western Europe. Loss of these resources 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.

Policymakers in London and Washington interacted constantly during the search for a resolution of the Iranian oil crisis, always seeking to control—or at least influence—the policies of the other. As the following discussion will reveal, the Anglo-American relationship regarding the oil crisis may be divided into three rough phases that overlap in spots but that demonstrate how over time the U.S. government moved ever closer to the British position regarding the Iranian oil crisis. The first phase, which lasted roughly from 1950 through mid-1951, might be termed the era of U.S. benevolent neutrality. During this period, U.S. officials acted officially as honest brokers in the search for a settlement that paid lip service to the idea of nationalization but also recognized the contractual rights of the AIOC. Beginning in mid-1951, the Truman administration abandoned its middle-of-the-road stance and decided to prop up the British position in Iran, thus ushering in the second phase of U.S. involvement in the Anglo-Iranian dispute. Lasting through the end of the Truman administration, this phase can be called the era of Anglo-American partnership and was characterized by an increasing ideological and policy affinity between London and Washington. The third phase of Anglo-American relations regarding the oil crisis—the era of U.S. domination—began with Eisenhower's inauguration and lasted the negotiations in the fall of 1954 that led to the creation

of the international consortium that replaced the AIOC in Iran and restarted that nation's oil industry. During this phase, Washington emerged as the dominant player, making the key decisions and shaping developments in ways that did not always suit London's interests.<sup>4</sup> Although the chronological limits of these three phases are somewhat fuzzy, the progression of growing U.S. involvement—and ultimate assumption of the leading role in seeking a resolution—is quite clear even if the temporal boundaries between one phase and another might not be.

During the era of benevolent neutrality, the Truman administration worked to convince both the Iranians and the British to moderate their demands and accept a reasonable compromise. U.S. officials warned repeatedly that “too much ‘take’” on the part of the Iranians was as dangerous as “too little ‘give’” on the part of the British.<sup>5</sup> Yet despite its declared neutrality in what was generally considered to be an Anglo-American matter, the Truman administration used the close ties that existed between London and Washington to push the British privately toward greater flexibility. In January 1950, for instance, Assistant Secretary of State for Near Eastern and South Asian Affairs George C. McGhee warned the British government that a no-compromise attitude would only undermine the moderate government of Iranian Prime Minister Ali Mansur, allow radical nationalists in Iran to triumph, and push the Iranians into the Soviet camp, with the end result being a loss of Iranian oil to the West.<sup>6</sup> By the fall the department was also pushing the AIOC to be more generous in dealing with the Iranians. In September McGhee described as “sophistry” the company's claims that it could not afford increased royalties or other forms of assistance to Iran, a judgment that the major U.S. oil companies confirmed to him in a subsequent meeting. Iran's position was “reasonable,” the executives maintained, and so long as the AIOC “did not lose control of its board of directors there was little it could not afford to agree to.”<sup>7</sup>

Running throughout Washington's policy during these initial months of the oil crisis was the conviction that British concessions held the key to a resolution. Guided by the then-prevailing Cold War mentality, U.S. officials saw Iranian oil as vital for the Western alliance, especially at a time when the Korean War was straining Western supplies to the limit. To prevent the loss of Iranian oil, McGhee urged the British to arrange some sort of partnership that did not involve “real equity ownership” but gave the Iranians significant financial profits.<sup>8</sup> Secretary of State Dean Acheson concurred, chastising the British for pursuing a “dangerous course” in Iran that could lead only to disaster.<sup>9</sup> In the absence of an enlightened British approach to the oil dispute, U.S. officials intoned repeatedly, Iran and its vast oil supplies might be lost forever.

Washington's critique of London's hardline policy stiffened after Mohammed Mossadeq's selection as Iran's prime minister and passage of legislation nationalizing Iran's oil industry in late April and early May 1951. U.S. officials affirmed Iran's right to nationalize the AIOC, but they

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would sanction neither nationalization without compensation nor abrogation of the company's contract against its will. In other words, they continued to stress the importance of a settlement that guaranteed both British and Iranian rights.<sup>10</sup>

The lack of U.S. support throughout this early period of the oil dispute combined with the general decline of British power in the Middle East to produce a bitter reaction in London. In August 1950, Foreign Secretary Ernest Bevin had asserted that Washington's refusal to back London fully had only encouraged the Iranian belief that they could "play us one against the other." What the British needed was unequivocal U.S. support; what they received, Bevin lamented, was a "one-sided" U.S. policy that encouraged Iranian aspirations while urging British moderation.<sup>11</sup> As far as Bevin was concerned, the lack of U.S. support for Britain's position was only prolonging the Anglo-Iranian dispute and contributing to Britain's declining prestige in Iran and throughout the world. His successor, Herbert Morrison, expressed a more personal reaction to U.S. policy, railing against U.S. efforts to "order me about," as he put it. Ambassador Walter S. Gifford in London saw Morrison's lament as an indication of frustration with the "growing Near East practice of twisting the lion's tail" at a time when Britain's diminished power kept it from taking "preventive or retaliatory action." This sorry state of affairs increased the need for U.S. assistance in bringing the Iranians to their knees, but also made the British all the more frustrated to be so dependent on an ally that would not support what it saw as an unduly uncompromising policy.<sup>12</sup>

To Morrison's delight, by the late summer of 1951 developments in Iran were conspiring to move U.S. officials more closely toward the British position. The nationalization legislation had ratcheted the oil dispute up to a new level by spurring the Iranian government to commence efforts to take over the AIOC's operations and facilities and by pushing the AIOC to threaten legal action against any company that purchased what it considered to be "stolen" Iranian oil. Faced with the real possibility that the oil dispute would lead ultimately to a total British withdrawal from Iran—and then to that nation's collapse to communism, officials in the Truman administration became all the more convinced of the importance of an immediate resolution. When Mossadeq in June peremptorily rejected proposals put forward by the AIOC for resolution of the oil dispute, the State Department denounced his conduct as "completely unreasonable," "totally unacceptable," "unjustified," and even "demented."<sup>13</sup> On 27 June, Secretary Acheson publicly denounced the "threat and fear" tactics Iran was attempting to employ against the British, and in NSC-107/2, signed that same day, the U.S. government formally announced its intention to "bring its influence to bear" in finding a settlement to the oil crisis.<sup>14</sup>

NSC-107/2 and the Truman administration's subsequent implementation of its directives ushered in the second phase of U.S. involvement in the Iranian crisis. This stage lasted for the remainder of Truman's term and was characterized by both a growing involvement in seeking a settlement

and real support for the British position. One reason for the shift in U.S. policy was that the actual nationalization of the Iranian oil industry had pushed the U.S. majors from their original support for Iran to sympathy with and support for the AIOC. Nationalization also increased U.S. concerns for Iran's security. If an immediate solution to the oil dispute were not found, Acheson warned, the British might be forced either to withdraw from Iran or to undertake military operations to protect their position there. A long-term crisis could also lead to Iran's economic collapse and foster the spread of communism in that country. But because it was already committed to funding the reconstruction of Western Europe and to fighting the war in Korea, the administration was forced to prop up the British position in Iran in order to prevent its potentially devastating loss to the Soviet Union. Cold War considerations, in other words, forced Washington into a partnership with London.

Accordingly, beginning in mid-1951 the Truman administration became directly involved in seeking to mediate a resolution to the oil crisis. Rather than simply encouraging Britain and Iran to reach an amicable settlement, U.S. officials actually worked themselves to arrange such a settlement. In the summer of 1951, former Commerce Secretary W. Averell Harriman went to Tehran to seek "some common denominator" on which Anglo-Iranian talks might be resumed.<sup>15</sup> When this proved impossible, Harriman joined the British in laying the failure at Mossadeq's feet. In the prime minister's "dream world," Harriman noted, "the simple passage of legislation nationalizing [the] oil industry creates [a] profitable business." If Mossadeq did not escape from this dream world and confront reality, Harriman asserted, the Iranian people would face certain misery and Iran would lose important international support, especially in the United States.<sup>16</sup>

Harriman's mission signaled the emergence of an Anglo-American affinity regarding how best to defuse the Iranian situation.<sup>17</sup> It also led directly to another U.S. effort to arrange a settlement, this time in the fall of 1951 during discussions with Mossadeq following Britain's failed effort to have the United Nations Security Council declare the oil dispute a threat to world peace. In the end, these talks came to naught. But they did have a positive effect on Anglo-American relations. U.S. officials now joined their British colleagues in blaming Mossadeq for the continuing crisis, and by March 1952 U.S. officials had conceded the virtual impossibility of negotiating with him. The State Department's direct exposure to Mossadeq's intransigence during the autumn discussions was part of the cause. But also important was the prime minister's closure of all British consulates in Iran in early 1952 and his ever-hardening stance against the kind of settlement that was dictated by the realities of the international petroleum market.<sup>18</sup> It appeared to U.S. officials that Mossadeq was trying to kick the British out of Iran entirely, most likely as prelude for moving it closer to the Soviet Union and securing Soviet assistance in marketing Iranian oil.

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The “critical” nature of the situation moved U.S. officials toward even closer transatlantic collaboration in late July 1952, when President Truman joined British Prime Minister Winston S. Churchill in issuing common Anglo-American proposals to Mossadeq. The Truman-Churchill proposals, as they came to be called, tied U.S. and British policy toward the Anglo-Iranian oil dispute together for the very first time and thus marked something of a turning point for Washington.<sup>19</sup> Mossadeq’s subsequent rejection of these proposals and his severance of diplomatic relations with Great Britain in October 1952 left Washington with little choice but to assume the lead in conducting negotiations for an oil settlement. Although the administration’s efforts to resolve the dispute continued until Eisenhower’s inauguration in January 1953, they were ultimately fruitless.<sup>20</sup>

The Truman administration’s policy regarding the Iranian oil crisis and especially concerning its relations with Great Britain had evolved considerably since 1950. After abandoning its efforts to act as an honest broker in the search for a negotiated settlement, the Truman administration had moved ever closer to the British position, ultimately ending up as London’s partner. Cold War considerations made it imperative that Iran remain firmly in the Western camp. But because the administration was constrained by commitments to other parts of the world—to economic and military aid for Western Europe and to the Korean War—it could not intervene directly in Iran to save it from communism. Instead, it had to work through the British, doing what it could to prop up Britain’s position as the only barrier to Communist expansion into Iran. Strategic and financial considerations combined to move the administration from honest broker to British partner.

A third phase in the Anglo-American relationship regarding the Iranian oil crisis began roughly with the inauguration of Dwight D. Eisenhower in January 1953 and lasted through the negotiation of the consortium deal in the autumn of 1954 that ended Iranian plans for nationalization and gave U.S. firms their first foray into Iranian oil operations. Eisenhower assumed office just as Iran’s economic and political deterioration was fueling U.S. fears about that nation’s safety. The loss of oil revenue was taking a serious toll on the country’s economy, and economic dislocation was causing mass demonstrations that U.S. officials feared would grow into full-scale revolution. Making matters worse, Mossadeq forged closer ties with the Communist Tudeh party and threatened to sell Iranian oil to the Soviet Union and its satellites. In truth, Mossadeq was a staunch anti-Communist who hoped such moves would win U.S. assistance for his financially strapped government. Given the anti-Communist hysteria of early 1950s, however, officials in Washington could not easily dismiss the prime minister’s apparent flirtation with communism. To them, he was a dangerous radical whose policies could lead Iran into the Soviet bloc. U.S. officials also grew suspicious of Mossadeq’s mounting domestic dictatorialism. In addition to assuming control of Iran’s defense portfolio, he pushed legislation through the Majlis that gave him sweeping economic powers

and finally presided over a national referendum on his leadership, the rigged results of which yielded an approval rating of more than 99 percent. Mossadeq, a life-long defender of constitutional principles, took such extraordinary steps because he felt they were his only option when confronted with tremendous outside opposition to oil nationalization. For U.S. officials, though, these blatantly undemocratic measures served as further proof of the danger Mossadeq posed to Iran's stability. To save Iran from Mossadeq's folly, they felt they had no choice but to get rid of him. Just weeks after assuming office, Dulles and Eisenhower approved a British plan for joint action against Mossadeq.<sup>21</sup>

Although the operation that overthrew Mossadeq in August 1953 had originally been conceived by the British—both the AIOC and some elements within the British government had suggested a coup against the prime minister soon after he assumed office—what ultimately played out as Operation AJAX was most decidedly a U.S.-orchestrated and -funded operation. CIA operative Kermit Roosevelt held the operation together when several early setbacks threatened failure. U.S. money helped to produce both the “Tudeh” mobs that marched through the streets of Tehran on 17 and 18 August 1953, prompting fears of an imminent Communist takeover, and the pro-shah mobs that took their place on 19 August. And following the coup, the United States promptly offered the new government an emergency package of economic aid, presumably to bolster it against potential opponents and to entice it into negotiating an acceptable oil agreement with the British.<sup>22</sup>

U.S. interests also dominated the negotiations that led to the creation of the international consortium, winning numerous concessions that in the end destroyed all British hope that the AIOC might regain its former position as controller of Iranian oil operations. Unlike other stages of the Iranian crisis, when U.S. officials had allowed their British counterparts to lead the way, discussions toward the creation of the Iranian consortium were dominated by U.S. ideas, and the final settlement was shaped primarily by U.S. commercial and strategic concerns. The AIOC (now renamed British Petroleum) would be limited to a 40 percent share in the new international consortium, the same share as the give U.S. majors as a group, which would make it impossible for the company to dominate Iranian oil as it had in the past. The U.S. oil companies were able to use their government's desire to settle the Iranian crisis and the AIOC's inability to return as sole operator in Iran as vehicles for their entry into the Iranian oil industry on terms that guaranteed huge profits for years to come and safeguarded their supplies in other parts of the world. Given then-prevailing world conditions and Britain's growing dependence on the United States, Whitehall had no choice but to go along.<sup>23</sup>

The preceding sketch suggests the complexity that characterized Anglo-American relations with regard to the Iranian oil crisis of the early 1950s. Rather than adhering to a rigid policy from the start of the crisis to its finish, the U.S. government moved incrementally to support the British

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position in Iran so that by the time the crisis was resolved, the United States was taking the lead in determining the terms of the settlement. At the beginning of the crisis, international realities had compelled U.S. policy-makers to rely on the British to police and patrol—and even defend—Iran, which was vital to Western security but which did not occupy the top tier of U.S. concern. Over time, however, as the constraints that had initially limited Washington's options disappeared, U.S. officials were able to exert greater control over the situation in Iran. In other words, they came ultimately to take the lead in their *pas de deux* with the British over Iran, just as they would soon do in other parts of the world as well. The Anglo-American dance for predominance in Iran was thus one step in the process by which the United States came to assume the mantle of the British Empire—formal as well as informal—the world over.

## NOTES

<sup>1</sup> FO tel.2103 to British Embassy, Washington, 18 May 1951, Foreign Office General Political Correspondence, Record Class FO 371, 91535/EP1531/354, Public Record Office, Kew, England (hereafter FO 371, with filing information); Gifford tel. 5774 to State Department, 5 May 1951, General Records of the Department of State, Record Group 59, file 888.2553AIOC/5-2651, National Archives II, College Park, Maryland (hereafter RG 59, with file number).

<sup>2</sup> Memorandum of conversation between Mossadeq and Anglo-American officials, 31 May 1951, *Foreign Relations of the United States, 1952-1954* (Washington, 1989), 10:57-59 (hereafter *FRUS*, with year and volume number).

<sup>3</sup> Mossadeq quoted in Grady dispatch 1159 to State Department, 29 June 1951, RG 59, 788.00/6-2951.

<sup>4</sup> For general discussions of the Anglo-Iranian oil crisis see David S. Painter, *Oil and the American Century: The Political Economy of U.S. Foreign Oil Policy, 1941-1954* (Baltimore, 1986), 172-98; Wm. Roger Louis, *The British Empire in the Middle East, 1945-1951: Arab Nationalism, the United States, and Postwar Imperialism* (New York, 1984), 632-89; Mary Ann Heiss, *Empire and Nationhood: The United States, Great Britain, and Iranian Oil, 1950-1954* (New York, 1997); and the essays in James A. Bill and Wm. Roger Louis, eds., *Musaddiq, Iranian Nationalism, and Oil* (Austin, 1989).

<sup>5</sup> Acting Secretary of State James E. Webb to U.S. embassy, London, 22 May 1950, *FRUS, 1950* (Washington, 1978), 5:550-51.

<sup>6</sup> See Harlan B. Clark (officer in charge of Lebanon-Syria-Iraq affairs, Bureau of African and Near Eastern Affairs) memorandum of conversation, 24 January 1950, RG 59, 888.2553AIOC/1-2450; and F. R. Hoyer-Millar (Foreign Office) tel. 388 to Foreign Office, 2 February 1950, FO 371, 82374/EP1531/4.

<sup>7</sup> Richard G. Funkhauser (Office of African and Near Eastern Affairs) memorandum for McGhee re discussions with British on AIOC, 14

September 1950, *FRUS, 1950* 5:97; Funkhauser memorandum for McGhee, "Summary—11 September Meeting with Oil Officials," 18 September 1960, in U.S. Senate, Committee on Foreign Relations, Subcommittee on Multinational Affairs, *Multinational Corporations and United States Foreign Policy*, pt. 8, 93d Cong., 2d sess., 1974, 345; unsigned record of informal U.S.-U.K. discussions, Thursday morning, 21 September 1950, *FRUS, 1950* 5:597. See also George C. McGhee, *Envoy to the Middle World: Adventures in Diplomacy* (New York, 1983), 321-24; unsigned record of informal U.S.-U.K. discussions, Saturday morning, 23 September 1950, *FRUS, 1950* 5:600-602; and David K. E. Bruce (U.S. ambassador, Paris) tel. 1606 to State Department (from McGhee), 27 September 1950, RG 59, 888.2553/9-2750.

<sup>8</sup> U.S. record of 10 April meeting between U.S. and U.K. delegations, 13 April 1951, FO 371, 91471/EP1023/37. See also U.K. record of 9 April 1951 meeting between U.S. and U.K. delegations, 11 April 1951, FO 371, 91471/EP1023/36; and McGhee, *Envoy to the Middle World*, 334-36. For U.S. estimates of the importance of Iranian oil see National Intelligence Estimate, "The Importance of Iranian and Middle East Oil to Western Europe under Peacetime Conditions," NIE-14, 8 January 1951, *FRUS, 1951* (Washington, 1982), 5:268-76; NSC-107, "The Position of the United States with Respect to Iran," 14 March 1951, Harry S. Truman Papers, NSC Meetings, box 212, folder: NSC Meeting #87, 21 March 1951, Truman Library, Independence, Missouri; CIA Special Estimate, "The Current Crisis in Iran," SE-3, 16 March 1951, Truman Papers, NSC Meetings, box 212, folder: NSC Meeting #89, 21 March 1951; and NIE-6, "Iran's Position in the East-West Conflict," 5 April 1951, Truman Papers, Intelligence File, box 253, folder: Central Intelligence Reports, NIE 1-6.

<sup>9</sup> Acheson tel. 1122 to U.S. embassy, London, 6 January 1951, RG 84, London Embassy Classified Records, 523.1 Middle East, National Archives II, College Park, Maryland.

<sup>10</sup> See Acheson tel. 2067 to U.S. embassy, Tehran, 10 May 1951, RG 59, 788.13/5-1051; Grady dispatch 889 to State Department re 2 May conversation with Mossadeq, 4 May 1951, RG 59, 611.88/5-451; and Acheson tel. 2194 to U.S. embassy, Tehran, 24 May 1951, RG 59, 888.2553/5-2451.

<sup>11</sup> Bevin record of conversation with Lewis A. Douglas (U.S. ambassador, London), 12 August 1950, FO 371, 82375/EP1531/37; Douglas tel. 839 to State Department, 10 August 1950, RG 59, 888.2553AIOC/8-1050. See also Douglas tel. to State Department, 12 August 1950, *FRUS, 1950* 5:580-81.

<sup>12</sup> Gifford tel. 5774 to State Department, 9 May 1951, RG 59, 888.2553AIOC/5-551; Gifford tel. 5850 to State Department, 9 May 1951, RG 59, 888.2553/5-951. See also Franks tel. 1361 to Foreign Office, 3 May 1951, FO 371, 91530/EP1531/264; Foreign Office tel.

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1870 to U.K. embassy, Washington, 5 May 1951, FO 371, 91530/EP1531/264; C.M.(51)35th Conclusions, 10 May 1951, CABINET 35 (51), Cabinet Minutes, Conclusions, and Memoranda, CAB 128/19. PRO (hereafter CAB 128, with volume number); Acheson tel. 2088 to U.S. embassy, Tehran, 11 May 1951, RG 59, 888.2553/5-1151; Gifford tel. to State Department, 11 May 1951, *FRUS, 1951* 5:679; and Sir Roger Makins (U.K. deputy undersecretary for foreign affairs) record of conversation, 12 May 1951, FO 371, 91535/EP1531/358.

<sup>13</sup> Foreign Office tel. 549 to U.K. embassy, Tehran, 16 June 1951, FO 371, 91548/EP1531/669; Acheson tel. 6049 to U.S. embassy, London, 22 June 1951, RG 59, 888.2553/6-2251; Steel tel. 1952 to Foreign Office, 25 June 1951, FO 371, 91551/EP1531/736. See also Shepherd tels. 657 and 660 to Foreign Office, 17 June 1951, FO 371, 91546/EP1531/635, /638; and U.K. record of 17 June meeting between AIOC delegation and Iranian government representatives, 19 June 1951, FO 371, 91575/EP1531/1287.

<sup>14</sup> Acheson statement, "Developments in Iran Cause Increased Concern," 27 June 1951, U.S. Department of State *Bulletin* 25 (9 July 1951): 73; NSC-107/2. "The Position of the United States with Respect to Iran," 27 June 1951, Truman Papers, President's Secretary's File (PSF)—NSC Meetings, box 213, folder: NSC Meeting #95, 27 June 1951. See also Acheson tel. 6184 to U.S. embassy, London, 27 June 1951, RG 59, 888.2553/6-2751; and Acheson tel. 6234 to U.S. embassy, London, 28 June 1951. RG 59, 888.2553/6-2951.

<sup>15</sup> Acheson tel. 72 to U.S. embassy, London, 4 July 1951, RG 59, 888.2553/7-451. See also Franks tel. 2060 to Foreign Office, 4 July 1951, FO 371, 91555/EP1531/864; Franks tel. 2068 to Foreign Office, 5 July 1951, FO 371, 91555/EP1531/864; and Acheson, *Present at the Creation*, 506-8.

<sup>16</sup> Grady (Harriman) tel. 736 to State Department, 22 August 1951, RG 59, 888.2553/8-2251. See also Grady (Harriman) tel. 734 to State Department, RG 59, 888.2553/8-2251; Grady (Harriman) tel. 737 to State Department, 22 August 1951, Truman Papers, PSF—Subject File, box 180, folder: Iran—W. Averell Harriman; and Grady (Harriman) tel. 761 to State Department, 23 August 1951, Truman Papers, PSF—Subject File, box 180, folder: Iran—W. Averell Harriman.

<sup>17</sup> See Foreign Office tel. 1109 to U.K. embassy, Tehran, 28 August 1951, FO 371, 91581/EP1531/1408; Holmes (Harriman) tel. 1091 to State Department, 28 August 1951, Truman Papers, PSF—Subject File, box 180, folder: Iran—W. Averell Harriman; and Sir William Strang (permanent undersecretary of state for foreign affairs) record of 27 August meeting between Anglo-American officials, 28 August 1951, Overseas Finance Division Files of the British Treasury, Record Class T236/3657, PRO.

<sup>18</sup> C.C.(52)31st Conclusions, 18 March 1952, CAB 128/24; Franks tel. 373 to Foreign Office, 9 April 1952, FO 371, 98688/EP15314/107. See also Foreign Office tel. 1756 to U.K. embassy, Washington, 2 April 1952,

FO 371, 98688/EP15314/107; and Ramsbotham minute, with attached Persia (Official) Committee paper, 2 April 1952, FO 371, 98687/EP15314/102.

<sup>19</sup>. Acheson tel. to U.S. embassy, Tehran, 31 July 1952, *FRUS, 1952-1954* 10:429-30. See also Franks tel. 1612 to Foreign Office, 24 August 1952, FO 371, 87694/EP15314/261; David K. E. Bruce (acting secretary of state) tel. to U.S. embassy, Tehran, *FRUS, 1952-1954* 10:461-62; and Bruce tel. 481 to U.S. embassy, Tehran, 25 August 1952, RG 59, 888.2553/8-2552.

<sup>20</sup>. Foreign Office tel. 4176 to U.K. embassy, Washington, 3 October 1952, FO 371, 98699/EP15314/397; Franks tel. 1883 to Foreign Office, 3 October 1952, FO 371, 98700/EP15314/405.

<sup>21</sup> For the coup against Mossadeq see Mark J. Gasiorowski, *U.S. Foreign Policy and the Shah: Building a Client State in Iran* (Ithaca, 1991), 76-79; Kermit Roosevelt, *Countercoup: The Struggle for the Control of Iran*, paperback ed. (New York, 1981), 169-99; Sepehr Zabih, *The Mossadegh Era: Roots of the Iranian Revolution* (Chicago, 1982), 116-26; Farhad Diba, *Mohammad Mossadegh: A Political Biography* (London, 1986), 184-92; Homa Katouzian, *Musaddiq and the Struggle for Power in Iran* (London, 1990), 188-93; Kuross A. Samii, *Involvement by Invitation: American Strategies of Containment in Iran* (University Park, PA, 1987), 136-39; James A. Bill, *The Eagle and the Lion: The Tragedy of Iranian-American Relations* (New Haven, 1988), 89-94; and H. W. Brands, *Inside the Cold War: Loy Henderson and the Rise of the American Empire, 1918-1961* (New York, 1991), 283-89.

<sup>22</sup> For extensive discussion of the U.S. contribution to the coup see Gasiorowski, *U.S. Foreign Policy*, 79-81.

<sup>23</sup> The creation of the Iranian consortium is discussed in Heiss, *Empire and Nationhood*, chap. 8.