

The United States, Britain, and the Hidden Justification of Operation TPAJAX

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With the overthrow of Iran's Prime Minister Mohammed Mossadeq by a CIA-led and British-backed coup d'état on 19 August 1953, the landscape of Western involvement in the Middle East was forever changed. The event, today seen as one of the most prominent examples of US intervention in the Middle East, was rooted in a complex web of political and economic factors and gamesmanship played by the British and US governments. Correspondence between the government of Prime Minister Clement Attlee and the administration of President Harry S. Truman leading up to TPAJAX illuminates not only shifting Anglo-Iranian relations but also a widening gap in the Anglo-American power structure.

This essay examines the differing views of the United States and Britain on the post-war situation in Iran. In it I argue that although the US government justified the coup as an effort to turn Iran from the path of communism, the United States, in fact, was led

to intervene on behalf of the British government, which emphasized the communist threat in order to encourage US action. The British concerns were less political, however. They were primarily economic and centered on the threatened loss of currency reserves that would follow nationalization of the Anglo-Iranian Oil Company (AIOC). This, in turn, threatened a rapid depletion of British dollar reserves, a loss of international purchasing power, and a further drop in London's international economic standing.

By contrast to the United Kingdom, the United States, had little stake, economic or political, in Iran until it came to be seen as a key in the West's competition with the Soviet Union. An Iran oriented toward Moscow, it was argued, would open the door to the spread of communism throughout the Middle East. The Attlee and Churchill governments therefore worked to emphasize this vulnerability to a Washington increasingly concerned about Soviet expansion.

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The British Economic Situation in 1953

The British economy was still being buffeted by the impact of the war and changes to the international monetary structures brought about by the Atlantic Charter (August 1941) and the Bretton Woods Agreement (July 1944). Primarily, it was trying to adjust to a world where the dollar had become the larger reserve currency. The loss of Persia's oil revenues cut into London's ability to earn sterling to help pay for much needed imports, which remained disproportionately high while Britain retooled back to a peacetime economy.

The British were slow to realign from their wartime production and so were unable to export enough goods to gain the currency they needed to pay for imports and to pay back the large loans they had taken out to finance the war effort. Finances were also short because Britain had been reluctant to scale back spending to maintain its international empire.

The abrupt end of Lend-Lease, although relieving Britain of the burden of repaying the loans, left it in an even weaker position to pay for imports. The United States did not seem to realize or to care very much that the UK was bankrupt. In the negotiation of the Anglo-American Loan Agreement that followed the end of Lend-Lease, Washington used its leverage to cajole/coerce Britain into agreeing to the Bretton Woods system, which had its roots in the economic themes laid out in the Atlantic Charter, and insisting on the convertibility of international sterling reserves.

The relatively undamaged US economy was much better equipped to take advantage of freer trade and convertible currency regimes than Britain, or the rest of Europe for that matter. Britain continued to bleed currency, causing it to devalue the pound in 1949, but in 1953, it was still concerned about its ability to raise dollars to finance its balance of payments.

Background

The issues that arose in Persia in the early 1950s stemmed from disagreements between the AIOC and the Persian government and people. Relations between the company and the Tehran government were dictated by the Concession of 1933, a contract between the Iranian government and AIOC, which was overseen by the League of Nations. Under it, disputes between the company and Persia were not to be argued in Persian courts and the Persian government was not allowed to cancel or expropriate the concession without compensation. At the same time, unilateral

legislative action by Tehran's parliament was prohibited.¹

While the concession was profitable to the AIOC, the same could not be said for Persia. In 1950, for example, had Persians controlled their own oil revenues, they would have earned £275 million; instead, Persia made only £37 million.² In addition to this lopsided revenue split, the AIOC maintained unfair labor practices. Persia's workers were often subjected to cramped living quarters, lengthy work weeks, and low pay. In an attempt to alleviate the situation, the oil company's employees founded a political party, the National Front, in October 1949.

Although the group was in many ways splintered, drawing members from socialist, nationalist, and ultranationalist groups, it found a political figure it could easily relate to in Mohammed Mossadeq, a nationalist who advocated taking control of Iran's oil production.³

In 1949, boosted by recent electoral victories over Mohammed Reza Shah, a new government hoped to sweep out the existing oil policy and asked to open a renegotiation of British oil concessions in the country. However, because Iran was credited with producing 76 percent of the AIOC's total output that year, the existing arrangement was seen in London as vital to Britain's postwar economic recovery. The AIOC and the British government resisted and instead offered minimal concessions.⁴ As the noted Iran authority, Kenneth Pollack, comments in his book, *The Persian Puzzle*,

All they were willing to offer was an increase in the minimum annual royalty to £4 million, a further reduction in the area in which AIOC could drill, and a promise to train more Iranians for administrative positions.... Iran had made £16 million that year; so the increase in the minimum royalty was irrelevant; the reduced AIOC concession area would still contain all of Iran's proven oil fields;

*and the company had repeatedly flagrantly disregarded its previous promises to train and promote Iranians.*⁵

These uncertainties and unkept promises caused the Persians to reject the new terms. Instead, with extreme nationalists in control, the Majles, Persia's parliamentary body, began in February 1951 to advocate nationalization of the oil fields at Abadan. This coincided with the assassination of Prime Minister Ali Razmara after he renounced nationalization proposals and was labeled a "British stooge." The champion of nationalization, Mossadeq replaced him, and on 30 April, the Majlis voted to nationalize Persian oil.⁷

Nationalization

Nationalization presented a slew of issues for the British government. As a result, its ideas on how to deal with the situation varied. The possibility of imposing economic sanctions on Persia frequently made its way to the top of agendas in Parliament, but the consequences of these sanctions were estimated to be severe. According to a telegram sent from Britain's Tehran post to the Foreign Office, economic penalties would affect about 75 percent of Persia's foreign exchange earnings, and around 30 percent of its foreign exchange resources. Large-scale

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unemployment in Persia's oil-producing regions would result, and its internal financial standing would further weaken. Put simply, "Persia would be faced with 'economic chaos.'"⁸

The British also determined that the political risks of imposing sanctions were cause for concern. Economic chaos would work to the advantage of the communists and the Tudeh Party,¹ which might create hostility toward Britain in the United Nations and the United States. The US response was London's primary worry, however, as described in a 5 May 1951 Foreign Office telegram:

*Rather than see Persia fall into economic and political chaos, the U.S. government might even decide to send oil experts and U.S. tankers to Abadan and provide financial aid to offset H.M.G.'s financial sanctions.*⁹

Not only did British Foreign Office officials fear US intervention because it would be harmful to British negotiations, but also because it might be detrimental to Anglo-American relations, as the United States would appear to have "stepped into AIOC's shoes." The economic impact would

also undoubtedly negatively affect Britain's relationship with other Middle Eastern countries.¹⁰

Once the global repercussions of significant economic sanctions were assessed, and the hesitancy to use them grew, the possibility of military intervention increased. One of the primary questions became how to extract British citizens working for the AIOC in Abadan (particularly if Persia were to try and take the fields by force), both to ensure the safety of British employees of AIOC and to send a message to the Persian government that its decision to nationalize oil was unacceptable and would be costly to the country. The removal of British workers, who supplied most of the expertise behind the operations, would have severely slowed operations.

A fundamental split in British and US ideological approaches soon emerged, as the British government preferred to use force to mitigate any problems that might arise, while the United States, particularly Secretary of State Dean Acheson, believed that military intervention would drive Persia into what would be welcoming Soviet arms. Furthermore,

¹ Formed in 1941 by Marxists who had been jailed by Mohammad Reza Shah, the Tudeh Party had been encouraged by Stalin and the Soviets to stir up political awareness for their causes. The party would ultimately be most utilized by the CIA, however, which staged disturbances in the guise of the Tudeh that eventually led to riots and the overthrow of Mossadeq.

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the US government felt that Mossadeq and his nationalist followers were in fact capable of revising Iran's political structure and ensuring that the country did not fall into the hands of the Soviet Union.¹¹

The use of force, US officials feared, might change this. The British were well aware of US concerns; a cabinet document titled, "The Political Implications of Armed Intervention in the Persian Oil Dispute" notes,

*The U.S. government draws a distinction between the use of force to protect the oil installations: a) when there is a regularly constituted government in Persia, and b) to counter a Communist coup. They don't accept the argument that to fail to protect Persia's oil industry might invite such a coup. We could not expect support from the U.S. Government, and American opinion at-large would be actively hostile.*¹²

This distinction would later lead Attlee and Churchill to present oil nationalization as an issue of communism rather than one of financial stability.

Proposals for Military Intervention

Despite US qualms about the use of force, the British continued to draw up plans to evacuate their AIOC employees from Abadan. In a July 1951 cabinet meeting led by Attlee, both the AIOC and Britain's ambassador in Tehran favored the policy as a way of displaying their resilience to Persia. Attlee agreed with this stance, while warning that it was unwise to assume that if Britain succeeded in overturning the Persian government, any successor would be more favorable to the British government and the AIOC. After all, Mossadeq had gained power by earning the support of Persians who were dissatisfied with corrupt groups in Persian political circles.¹³

With this in mind, the British moved forward with preparations for military intervention. Three plans, Midget, Midget Reinforced, and Lethal, were proposed. Plan Midget was designed solely to protect and withdraw British nationals. Midget Reinforced would protect UK nationals but also allow forces to remain in Abadan if the opposition was weak. Plan Lethal would seize and hold Abadan Island in case of Persian opposition.¹⁴

Herbert Morrison, Britain's secretary of state for foreign affairs, advocated protecting British lives while seizing, holding, and operating the refinery. Not only would this allow the flow of refined oil to continue, he determined, but it could result in the downfall of Mossadeq and perhaps even encourage a regime more friendly to the British to take over. This was in direct contrast to the wishes of Washington, which at the time felt that the sitting Persian government should maintain power in order to prevent the country from falling into communist hands.¹⁵

The British insistence on the use of military force, despite US concerns, showed that they believed they were in complete control of the situation. This sentiment is best seen in a cabinet meeting in July 1951, when Morrison discouraged Sir Francis Shepherd, British ambassador to Iran, from meeting with US Ambassador to Britain W. Averell Harriman¹ because a meeting might cause harmful speculation in the press and among Persians. If Harriman helped mediate the dispute, Morrison argued, the Persian government might be led to believe that he was acquiring more favorable terms for Persia.¹⁶

Ultimately, Attlee's concern over the potential negative consequences of military action seemed to win out in the early stages of the oil nationalization

¹ Harriman would maintain a close relationship with the British government throughout his public service career, in this instance as ambassador and later as US secretary of commerce.

dispute. Rather than withdraw AIOC personnel and provoke a disastrous Persian response, he decided that the British should instead remain in Abadan and execute Midget only if necessary.¹⁷ This would allow further negotiations to occur, and would give the British government time to discuss joint-force operations with the United States, which was still apprehensive about involving itself in the issues in Abadan and in greater Persia.

Attlee's cabinet meetings in the summer of 1951 would prove to be only the start of a long line of discussions of forceful action in Persia. They would also prompt conversations on what would prove to be a much broader and more strategic attempt to garner US diplomatic and military support for intervention in Iran.

America's Growing Economic Leadership

The Atlantic Charter

While on the surface the United Kingdom faced an immediate loss of revenue with the nationalization of Iran's oil, its larger concern was deeply rooted in a growing currency crisis that plagued the British economy throughout the postwar period. With the conclusion of the war, Britain was slow to realign from wartime production back to a peace time economy. At the end of the war, nearly 55 percent of Britain's gross domestic product was derived from production associated with making war.¹⁸ As a result it was unable immedi-

The Atlantic Charter would come to be seen as a sign of America's growing economic leadership and of the dire straits of Britain's sterling currency.

ately to produce and export goods to gain currency to pay for imports and to pay back its large war loans.

By contrast, as the war drew to a close, the United States had been able to improve its position in international trade and enter markets it previously could not access. In many ways, the 1941 Atlantic Charter paved the way for American macroeconomic leadership. Among the eight points listed under the agreement were the principles of lowering trade barriers; establishing more global economic cooperation and advancement of social welfare; and ensuring freedom of the seas, a key component for advancing the shipment of US goods and exchanges on the international market.¹⁹

The charter, drafted by Winston Churchill and President Franklin D. Roosevelt, solidified the bond between Britain and the United States and would serve as a model for future international contracts, including the General Agreement on Tariffs and Trade and the postwar liberalization of trade in French and British goods.²⁰ It would come to be seen as a sign of America's growing economic leadership and of the dire straits of the pound sterling.

Lend-Lease

Shortly after the Japanese announced their surrender, the

United States stopped its Lend-Lease Program, which had been a vital contributor to Britain's economy throughout the war. Under Lend-Lease, the United States had provided the United Kingdom, Soviet Union, China, France, and a host of other Allied countries with war materials and supplies. Britain received an estimated \$31.4 billion in wartime shipments, the most of any country listed under the agreement.²¹ When Lend-Lease was abruptly cancelled, the UK was virtually bankrupt and still in need of financial assistance, even though the United States had decided to negotiate Lend-Lease settlements without requiring repayments on wartime deliveries. This arrangement had other costs for the recipients of Lend-Lease aid:

The decision to settle Lend Lease debts without monetary or financial repayments had a profound impact on the shape of the postwar economic system. The United States decided to extract foreign policy promises from the United Kingdom and require its participation in a new world economic framework. This also meant that the State Department, rather than the Treasury Department, would be the lead US government agency responsible for handling

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the consideration. While the Treasury Department would have primary authority for handling postwar international monetary and finance issues, the State Department took the lead in most other postwar arrangements, such as creating the United Nations and negotiating postwar trade agreements.²²

This is important in the context of Britain's Persian oil crisis, because the US Department of State, rather than the Department of Treasury, handled monetary negotiations with and between Persia and Great Britain, lending a distinctly political flavor to the pressing economic crisis. In addition, then-Secretary of State Cordell Hull "aimed to...extract from the United Kingdom a pledge to abolish imperial preferences and secure Britain's support for a more liberal and nondiscriminatory international trade regime."²³ Indeed, this statement was a sign of things to come and would have a direct impact on the Anglo-American Loan Agreement, a major driver behind Britain's actions in the Persian oil crisis. In addition, the resulting agreement was to demonstrate how quickly the United States had come to fulfill its potential as a deal maker or deal breaker on the international political stage.

The Anglo-American Loan Agreement

Although the United States did not charge for most material sent to recipients of Lend-Lease assistance, it did want the return of large durable goods like warships, and it expected payment for material delivered or on the way after the war's end. In addition, as noted above, Britain was still bankrupt. Hopeful of favorable terms for a loan to carry the country through the postwar period, the Atlee government sent economist John Maynard Keynes to seek financial assistance in the summer of 1946. Apparently not appreciating the full extent of British economic decline, the United States and Canada offered only loans, not a grants of aid as many British had hoped. The United States offered a loan of \$4.3 billion, at an annual interest rate of 2 percent.

Although the British eventually accepted, negotiations over the loan were sometimes heated, and with good reason. While Britain felt the pangs of a damaged economy, the United States saw the long-term importance of convertible currencies, then thought to be a necessity for a successful multi-lateral trading scheme, and pressed for including convertibility of the sterling as a condition to the loan. British concerns over the effect this would have on UK dollar reserves were noted in final

documentation of the conditions:

In order that Great Britain might be able to claim a waiver of interest (which, it is to be noted, is a final surrender, not a mere deferment) both of two conditions must be satisfied. The first...in effect is that, in the judgment of the British Government (1) payment of the interest due would leave Britain with inadequate international reserves and (2) present or prospective conditions of multi-lateral clearing are such that Britain is or will be unable to get dollars for a large part of her export proceeds.³⁰

After extended negotiations, the condition remained and would kick in a year after ratification of the loan in 1947. This caused countries with sterling to almost immediately begin drawing from British dollar reserves. Within one month, nearly \$1 billion had been taken, resulting in the British government's decision to place a hold on conversions and to start cutting funding for domestic and foreign projects.²⁷ This loss of dollars reflected the growing weakness of sterling, which by 1949 was devalued from \$4.02 to \$2.80.²⁸ Moreover, it was through this sterling conversion that the roots of Britain's crisis in Persia really began to take hold.

The Problem with Servicing Dollar Loans to Persia

British concerns over sterling convertibility and decreasing dollar reserves extended beyond postwar repayments to the United States. By providing monetary assistance to Persia, the British feared additional depletion. In a 25 September 1950 memorandum on the servicing of dollar loans to Persia, Britain's situation with regard to providing loans to Mossadeq's government becomes clear, as do Anglo-American agreements and disagreements on the issue. The memorandum notes,

*We and the Americans are agreed on the urgent necessity of providing immediate financial assistance to Persia. Last Spring the influence of the communist-controlled Tudeh party was increasingly disturbing because a series of inefficient Governments had destroyed public confidence in the ability of the regime to improve economic standards.... The importance of Persia's oil to our economy, and the political necessity of preventing her falling under communist domination, need no emphasis.*³¹

The latter half of this passage is most important, as it reflects the importance of Persian oil to Britain as well as Britain's emphasis on the communist threat in discussions with the United States. The memo continues,

British Treasury officials were particularly concerned about the effects of dollar loans.

Mr. Razmara (the new Prime Minister) has applied to the American Export-Import Bank for a loan, which the bank is virtually committed to grant up to a figure of \$25 million and to the International Bank for a loan which will probably amount to \$9 million...the difficulty which has arisen is in respect of the dollar servicing them....

The Persian Government has virtually no source of dollar income and her dollar needs are provided by ourselves under the terms of an agreement known as the Memorandum of Understanding between the Bank of England and the Persian Bank Melli, under which sterling held by Persia is convertible into dollars for the purposes of a) essential imports not obtainable from sterling sources, and b) certain other specific items such as diplomatic and educational expenses.

We have been considering giving sterling aid to Persia...but the Treasury have felt that if we were to do this, and if we were also to agree to provide the sterling backing or half of any assistance in local currency which Persia might require, we

*could reasonably expect the Americans on their side to provide all the dollar assistance required, including the servicing of the dollar loans, and also the dollar backing for half Persia's internal currency needs*³²

Through this, Britain's concern over the nationalization of oil and America's role in the crisis peaked. If Persia acquired dollars from the United States, then it would not need Britain's dollars under the Memorandum of Understanding. This would allow Britain to preserve dollar holdings and trade with the US government, helping it to remain a major economic power. If Britain could buy oil in pounds in sterling areas, Persia would be empowered to buy British manufactured goods with those pounds, leading to a better balance of trade. If oil started to be priced in dollars and Persia was lost, however, then Britain would be left with the question of where to acquire dollars to pay for oil, potentially leading to the cutoff of its pipeline.

British Treasury officials were particularly concerned about the effects of dollar loans. In a note from the Treasury Chambers to the prime minister, they argued,

We could not tolerate a situation where Persia was freely converting her sterling balances here into dollars...they can use the

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*sterling not so much to acquire dollars as to acquire dollar commodities.*³³

In doing so, Britain's dollar reserves would decrease, as would its ability to purchase goods in dollars. This would have a severely negative impact on British purchasing power and the economy as a whole.

America's Response to Britain's Economic Woes

Washington's response to Britain's concerns over payments to Persia was indicative of its new-found role as a leader in the global economic network. The US government seemingly dismissed British concerns, believing that communism was the greater threat in Iran and, therefore, all involved should compromise for the sake of stopping its spread. A telegram from New York to the British Foreign Office states,

*Mr. Acheson said that the sum involved in dollars was a relatively small one and the United States Government hoped that in view of the political importance to both countries of taking all possible steps to counteract Soviet pressure on Persia, His Majesty's Government would be prepared to waive their objections and agree that the Persians should be allowed to convert the necessary amount of sterling into dollars.*³⁴

This view was supported by a telegram from the US ambassador in Tehran, who was most anxious that "the loan could be agreed by October 1st so that the announcement should forestall that of the Russian Trade Agreement [with Iran]."³⁵ To the United States, the stability of Britain's economy was secondary to the threat arising from the influence of communism in the region, particularly via the communist-backed Tudeh Party.

The Presentation of the Communist Threat

The presentation of the situation in Persia as an issue of communism changed little throughout the Attlee and Churchill governments, as both realized that America's stake in the issue was far different than their own. Attlee, more of a negotiator than a fighter, continuously took a diplomatic approach when dealing with US concerns toward Persia. Churchill, while more brazen in his attempts to secure US support, also worked the political scene to emphasize to the United States the growing communist threat, even from the early stages of the crisis. In a letter to Prime Minister Attlee, dated 9 July 1951, Churchill expressed his determination to present the crisis to the United States as one plagued by the potential of a communist takeover:

*We have urged that the strongest representation should be made to the United States to take positive action in supporting the common interests of the Atlantic Powers, which would be deeply endangered by the Sovietization of the vital area between the Caspian Sea and the Persian Gulf, and we are glad to know that there is no question of our asking for mediation.*³⁶

The letter reflects the general determination within the broader British government to obtain US support by constantly emphasizing Persia's vulnerability, particularly to communist influences. In a telegram from the Foreign Office to Washington, the shared desire to deter Soviet engagement with Persia is discussed, as is the level of concern over issues in Persia:

We are at least as concerned as the State Department to prevent Persia falling under Russian or Communist domination. Where we differ from them is in our feeling that the present Persian Government, whilst in theory constitutional, appears to be embarking on a course of action which, if not stopped, can hardly fail to produce such administrative and economic chaos as must inevitably facili-

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tate the establishment of a Communist-dominated régime.³⁷

The telegram underlines the threat posed by communism while questioning America's resolve on the issue:

We are not sure whether the State Department fully appreciates the danger to Persia's future which in our view is presented by Dr. Musaddiq's régime. Our information regarding his character and behaviour, together with his lack of any positive programme apart from oil nationalisation, do not suggest that he or his Government are capable of tackling the many and grave problems before them.³⁸

Combined, the excerpts from this telegram reflect the dire attempts of both Attlee and Churchill to involve the United States in a solution to the oil crisis by emphasizing the weakness of Mossadeq's regime and the growing strength of communist influence in the region. With the Korean War underway, it would be this latter issue that would finally assure US support in ousting Mossadeq in 1953.

The Importance of Character

While Truman was more interested in economic negotiations and Churchill in military solutions with regard to the

Persian oil crisis, both would find common ground on the nationalization issue—first because of the fear of depleting dollar reserves, and second because of the threat of Soviet influence in Persia. Britain would present these concerns in reverse order to the United States, however. When studied in a historical perspective, one realizes that the end result was, in part, created by the multiple characters involved in the negotiations.

In the UK, little had changed in the approach toward Persia during the Attlee and Churchill governments, but a significant policy shift took place in the United States when Eisenhower replaced Truman in 1953. Truman, whose personality resembled Attlee's, preferred a more diplomatic approach to the problems in Persia, both through loan negotiations and economic sanctions. Eisenhower, who entered the 1952 presidential race promising to combat "communism, Korea and corruption," would keep his word in countering communism in Persia, both in committing to the 1953 overthrow of Mossadeq and in establishing the Eisenhower Doctrine in 1955. This doctrine promised to Middle Eastern countries the support of America's military and economic aid in order to "secure and protect the territorial integrity and political independence of nations requesting such aid, against over armed aggression

from any nation controlled by International Communism."³⁹

Meanwhile, Mossadeq's own personality and approach added to his country's crisis. His inability to make decisions and his tendency to create waves within the Persian government concerned the United States and Britain enough to ignite coup planning. This begs question of whether Mossadeq's overthrow only occurred because of US and British intervention or whether Mossadeq was essentially "doomed from the start" as a result of the internal political situation in Persia. To answer this question would be to exceed the limits of historical evidence reviewed for this essay, but Musaddiq's volatile relationship with the Majlis certainly makes the latter scenario at least a noteworthy possibility.

In Closing

The 1953 overthrow of Mohammed Mossadeq cannot be analyzed as a sudden decision intended only to rid the Middle East of an unstable and vulnerable regime. Instead, it must be considered through a broad historical lens, taking into account more than a decade of economic, political, and military changes across the world, from the United States to Britain, Persia, and the Soviet Union.

At its core, Mossadeq's overthrow was inspired not by a

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communist threat, but by an economic one. World War II had left postwar Britain grasping for fresh economic policies that would help them rebuild into a global economic power. Bogged down in loan repayments and debt following the end of Lend-Lease, however, London had little choice but to borrow money on as favorable terms as possible, the Anglo-American Loan Agreement. A more dominant US economic strategy further kept Britain from regaining its economic power, as the sterling convertibility clause of the loan agreement would ultimately prove devastating for the British economy and cause it to cut funding for a variety of domestic and foreign projects.⁴⁰

The sterling conversion issue would play a major role in the oil nationalization crisis. Faced with the opportunity to float or devalue the pound in 1952, Churchill chose to do nothing. On political grounds, the Tories refused to devalue or float, believing that floating would undermine Bretton Woods,

anger the United States, and harm the British economy. Churchill ultimately maintained the status quo, having expended so much political capital complaining about the Labour view that he failed to act decisively otherwise. Believing that this would be a symbol of power, it was, in reality, the one thing that needed fixing.

Churchill's approach in soliciting the assistance of the United States differed little from his predecessor, however, as both worked to gain American support by emphasizing the threat of communist penetration in the Middle East. Truman sought to mediate the situation through loans and monetary sanctions, and tried to find a practical solution that would avoid military intervention. Eisenhower, in an effort to rid the world of "communism, Korea and corruption," alternatively decided to try and eliminate communism's role in the Middle East through a CIA-led and British-backed coup in 1953, commonly referred to as



Operation Ajax. In its quest for economic revitalization, the British saw in the Eisenhower administration an opportunity to involve the United States in the unseating of Mossadeq. Without that motivation, and without the new administration in Washington, it is doubtful that the CIA would have been commissioned to carry out his overthrow.

Operation Ajax made the Suez Crisis in 1956 all the more acute, and also demonstrated to the Arab world that Britain was, essentially, finished as a major power in the Middle East. From the post-Suez period onward, the United States would be catapulted to center stage in the region, a position it still largely maintains to this day. Thus, the 1953 overthrow of Mossadeq ushered in a new era of power shifts. America's role in the Middle East grew substantially, as Britain's sterling crisis depleted not only its dollar reserves, but also its position in a more globalized economy.

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