CHAPTER III

(U. S. Expansionist Policy in Iran)
Founding of Iran-U.S. Relations

American interests developed as early as 1941, when Muhammad Reza Shah ascended the Iranian throne after the deposition of his father Reza Shah as a result of combined invasion of Iran by the Americans and the Soviets. The reasons for the young Shah to succumb to large scale American interference in Iran have been variously stated. "The basic premise underlying America's almost unquestioning support to the Shah of Iran after World War II was that the Shah was a rock of stability in a highly volatile region of increasing importance to the United States."¹ The primary motive was to withstand the pressures of domestic forces and foreign powers. After all the non-too-happy sections of people in Iran thought him nothing different from his father, a dictator in letter and in spirit. The clergy at the time when the young Shah stepped into his father's shoes, demanded democratization of power in accordance with the constitution of 1906-7; the nationalists demanded that the Shah reign rather than rule; the communists spoke the language of the Republic of Iran, and lastly the British emphasized the upholding of the constitution.² As for external constraints, the

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control of Azerbaijan by the Soviet troops, Soviet moral and material support to the Tudeh, and above all the Shah's hatred for the Soviets made the Shah look towards the Americans. On October 8, 1941, less than a month after his accession to the throne, the young Shah approached the American envoy in Tehran for an alliance with the U.S. blaming "bad advisers" for his father's pro-Nazi policy. He promised to govern constitutionally and look after the welfare of his people, and finally declared to be happy as an ally of the U.S. Thus a foundation was laid for the structuring of Iran-U.S. relations in early forties of this century. Naturally this was the beginning of American involvement in Iran which was bound to deepen with the passage of time. From American point of view they had two factors in mind; the young Shah would ultimately emerge as the strong man of Iran; it was through a single individual rather than through a parliamentary democracy that they could better protect and promote their geo-political as well as commercial interests. The second factor was that the young Shah would gradually switch over to absolute power and reverse the movement towards a constitutional monarchy. Later events and evidences proved that the Americans did not only stop the Shah from moving towards absoluteism, but even found it conducive to their interests to do so. In 1942, the Shah urged Prime Minister Cevam to resign, and in doing so he brought the government under

1. Ibid.

his own influence. In July 1943, the Office of Strategic Services (OSS) told Washington that the Shah had been energetically, though cautiously, strengthening ties with the officers of the army, and a month later the same source reported that the Shah had succeeded in taking control of the army himself. By September 1943, the monarch began issuing orders directly to the General Staff which was in violation of the powers invested in the Iranian Minister of War by her constitution. In December 1944, the Shah told visiting Averell Harriman of the U.S., "The country could not be truly democratic until the people had acquired sufficient education to understand the principles of democratic government." This absolutist thinking of the Shah received covert support of his foreign friends, and in particular the Americans, as one finds in the report of their OSS Officer in Teheran. It said, "Iran, like a small child, needs a strong governing hand until education has done its work, political consciousness has developed, and a group of properly trained public officials has been established."

1. Ibid.
4. Leland Morris to the Secretary of State, December 6, 1944, Record Group 52, Numerical File 891.00/12-644, N.A.
5. U.S. Office of Strategic Services, December 15, 1944.
American interest in Iran actually was the fall out of the Teheran Conference held between Great Britain, Soviet Union and the U.S., in 1943. As the World War II was being waged, American troops arrived in Iran to expedite war shipments to the Soviet Union. The Americans realised the possibility of gaining influence over Iranian government. This was stated by the American legation in Teheran in a memorandum: "The urgent advisibility of placing Americans in strategic positions in the Iranian government, and in particular... the necessity of sending a military mission to observe, and if possible, check any internal plots in the Iranian army...".

U.S. in Iran in World War II

The wide influence of the Germans in Iran in pre-war years has received our notice. It is possible that during the years of war, the Americans, as well as other Allies, would not allow the pro-German influence gain upper hand in any aspect of Iranian life and in particular in Iranian government. But gradually the sphere of American interest widened, and gradual inroads began to be made into various Iranian ministries. An agreement was signed with the U.S. so that the American military adviser in Teheran was formally granted access to all records, maps and plans pertaining to military administration in Iran. He could even recommend to the

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Shah transfer, appointment or dismissal of Iranian military officers. The appointment of Norman H. Schwartzkoff as the American Officer in command of the Iranian gendarmerie in 1945 showed America's deep interest in keeping an eye on the internal affairs in Iran, and to protect American policy. With the conclusion of World War II, Iran's strategic importance to the U.S. crystallised in new dimensions, particularly in view of great vacuum prompting the U.S. to assume an important role. In 1945, a U.S. military planner analysed the U.S. role in Iran with objective accuracy. He said that in view of Iran's contiguous borders with the Soviet Union in the north, and British oil interests in the south, Iran would continue to be the object of basic interest to major powers. Iran's importance as post-war airway terminal was also highlighted. The report concluded, "It is, therefore, not for any sentimental reasons nor even for any idealistic democratic principles, worthy as they may be, that the United States is forced to take a continuing interest in Iran."

Dean Acheson, the U.S. Secretary of State was more forthright and pragmatic in his concept of Iran's importance to the U.S. He said, "the military, political and commercial security of the United States requires stability and order in


the vast belt of territory, from Casablanca to India and beyond, which constitutes the Mohammedan and Hindu world. Certainly we favour the evolution of self government for the diverse peoples of that area... But we have a stake of our own in their political development.¹

Dean Acheson's advice of evolution of self government ran contrary to what the policy makers intended to do in Iran. In order to go ahead with their objectives, the erosion of self governing apparatus in Iran was unavoidable. American functionaries began to propagate the thesis that the Iranian legislature had not shown itself "an intelligent, patriotic, and sincere body".² The remedy suggested by Ambassador Morris was "the rise of a strong individual". Ledjevardi rightly concludes that "while warning Iranians of the evils of totalitarianism and working toward the defeat of the local communists, the representative of the world's foremost democracies supported the re-establishment of a system of government in Iran that embodied many features of the political system they so fiercely opposed."³

It was not possible either for the Shah or for the Americans to make the Iranian Parliament (Majlis), the decisive organ in a democratic structure, to toe this line. Many Iranians

were surrounding the Americans more than what the latter expected. After all, there were wealthy and powerful members in the Majlis who were opposed to the implementation of the constitution which would lead to a greater participation of the public in political affairs. The tribal Khans and big landlords who wielded great influence over the people in their respective areas, aligned themselves with all reactionary forces to protect and support the absolute monarchy if they could. They advocated that against the communist inroads into Iranian masses, the only way of preserving Iran's 'independence' was to join hands with the Americans. These reactionaries, therefore, established more frequent liaison with the Americans at various levels. But it should be remembered that a much larger group of middle and lower middle class Iranians believed that dependence on foreigners and particularly the capitalist countries was no alternative to political freedom and independence.

**Iran-U.S. Relations: Post World War II**

In 1946, Cavanu's-Baltanah, whom the Americans considered "the most likely instrument for the purpose," assumed the second tenure of the office of Prime Minister of Iran. He decided to hold talks with the insurgent Kashqai tribes of Khuzistan where they had adopted a rebellious stance obviously on the instance of Anglo-

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1. Allen, V. George., June 6, 1946, Record Group-84, Box 2255, Washington National Record Centre.
American activists, Khosrow Khan Qashqai, the leader of
Qashqai tribe was entrusted with the duty of establishing
Qavam's Democratic Party branches among the tribals.

Bushahri writes that telegrams in code words used to
be exchanged between this Qashqai chieftain and the Governor
of the province of Fars. Armed tribals of the south captured
many southern cities like Kazrun and Bushahr and perpetrated
atrocities on Tudeh Partymen, peasants and workers. This was a
calculated move by all reactionaries against progressive and
democratic movements spearheaded by Azerbaijan Democratic Movement.
The Iranian government with a vast military outfit could suppress
the reactionary resistance, but as Bushehri writes, General Zahidi
had given clear instructions to the pilots of Iranian airforce
not to drop any bombs on the Qashqai tribals infested with
rebellion and involved in the killing of Tudeh partymen.

The first blatant suppression of democratic movement by
Qavam government was in December, 1946 when he ordered government
troops to march into Azerbaijan and destroy the Azerbaijan
Democratic Movement. Brutalities perpetrated on the Democratic
activists have been recorded extensively; 760 persons were
executed by hanging or by the firing squad, and thousands were

1. Bushehri, Azar-i-Nahzat-i-Junub, Tehran, A.H(5)
   1341/ A.D. 1961, p. 137.
2. Ibid.
done to death by armed bands, gendarmerie and police without being prosecuted under law. Big landowners and feudalists, who had fled Azerbaijan as a result of reforms initiated by the Azerbaijan Democratic government, now returned to reoccupy their estates with the help of military and police. Their reaction ensued. In fact, pro-Cavam activists throughout the length and breadth of the country made relentless attacks on Tudeh Party workers and their sympathisers. Workers' Unions were declared forbidden and thousands of industrial workers were detained. In a press note of the Union of Workers and Labourers of Iran dated 31 December 1946, it was said that several thousand workers had been detained by the government.

Elections to the 15th Majlis were held in a state of terror and partisanship. Aavam's Democratic Party workers unleashed reign of terror. Graft and impersonation were let loose on a large scale, and many blatant irregularities were perpetrated openly to eliminate the Tudeh candidates and the representatives of the workers' Unions. The field was left open for the reactionaries, the feudalists and the pro-imperialist candidates. A leading journal wrote that out of a total number of 122 members 'elected' to the 15th Majlis, 62 were big landlords, ten were factory owners.

2. Ivanov, M.S. Farikh-i-Navin-i-Iran, Moscow, 1960, p. 128.
twenty-two high ranking bureaucrats, and twenty-eight lawyers of the High Court, half of whom were holding partnership in gigantic concerns. There was not a single member representing any democratic organisation. Gavam's reactionary home policy suited the Americans. As such, it was bound to have adverse effect on Iran's relations with the Soviet Union.

In December 1947, Gavam government resigned. It is widely believed that both the U.S. and Great Britain were instrumental in his ouster. The tone of the following passage from the American Ambassador's report indicates that he had favoured Gavam's replacement. "The Shah kept Gavam in power to make him assume responsibility for refusing the Soviet oil concession, since the Shah did not want Gavam ever to be able to return to power with Soviet support, finally, when Gavam had served his usefulness, the Shah gave the nod and the Majlis kicked him out."

The decade between the German invasion of Russia and the nationalization of oil industry in Iran in 1952, was a period during which the United States showed some reluctance in agreeing to be deeply involved in Iran. But the Iranians were themselves very eager for collaborating with the Americans. In Teheran Declaration of 1943, President Roosevelt decisively said that reconstruction of Iran's economy in post-war period could be left

unattended. The U.S. offered moral and political support to Iran in the evacuation of Soviet troops after the war. All successive Iranian governments from Premier Saeed up to Hoveida in 1978, sought to expand relations with the U.S. in military, technical and economic fields. This was inspite of the pressures of strong nationalist forces at home. It has been found that in the years following the World War II the U.S. was not very generous and forthcoming to offer aid to Iran despite the fact that the U.S. Ambassadors in Iran pleaded strongly with the home government in favour of generous aid. Washington thought Iran was less stable than either Turkey or Greece. The main reason in their opinion, was that if Iran was not given adequate aid she might turn towards the Soviet Union, and thus the American interests in Iran would receive a set-back. In 1949, the U.S. gave only twenty-five million dollars credit from Export-Import Bank which was only one-tenth of her requirement. American concept of Middle East as a strategic area of her interest developed only in 1950.

Ramazeni is of the opinion that "America's failure to support Iran financially contributed to the complex of factors that led to the nationalization of oil industry."


U.S. Military Programme in Iran

By his policy of "negative equilibrium"¹ Dr. Musaddiq invited criticism of the Iranian communists as well as the nationalists. Oil nationalization deepened American interest in Iran. The situation which developed in Eastern Europe, viz., Communist take-over of Czechoslovakia, the Communist victory in China, the Berlin blockade and the Communist movement in Korea made the U.S. reconsider her Middle East policy and the role that Iran could play in that policy. George MacGhee, the U.S. Assistant Secretary of State said that apart from oil, "Iran was a great strategic prize."² The truth is that only four years later, the U.S. saw clearly her oil interests in Iran and the Persian Gulf. Emergence of the U.S. as the dominant power in the region resulted in the first place in the downfall of the nationalist government of Musaddiq.³ In the coup of 1953 in which the popular government in Iran was toppled, the U.S. played an active role. The Shah was restored to his throne and the floodgate for U.S. presence in a number of ways in Iran was thrown open. This was the time when the U.S. sought to complete a chain of defensive pacts around the Soviet Union—the NATO and SEATO were chained to northern countries. By early 1959, Iran made a formal alliance with the

2. Ibid., p. 326.
3. For a survey of nationalist movement in Iran, see Cottam, Richard, Nationalism in Iran, Pittsburgh, 1964, p. 26.
West, Iran's endeavour was to secure maximum concessions in return. Conclusion of Baghdad Pact was the U.S. confirmation of indispensibility of the survival of a monarchical regime in Iran. The three signatories of Baghdad Pact had their individual interests more dear than the common cause of "containment of Communism" as the Americans had desired.

The Shah of Iran, using the Soviet threat as a lever, wanted to acquire more modern military hardware from the Americans. He said that if Iran could be conquered by one division, the Russians might do so. If several divisions were required, the Kremlin might hesitate. It was clear to all that in actual fact, the Shah, paying out Washington for staging a coup d'etat in 1953 to overthrow the Musseddieq government, and establish the pro-American regime, continued to willingly grant U.S. private capital with more and more privileges in the extraction and sale of Iranian oil and in the securing of its position in trade, industry and agriculture. It was above all U.S. dictated interests that determined the flow of up-to-date industrial equipment and technology into Iran and the multi-million credit infusions into her economy. The situation has been aptly analysed by a Soviet analyst as this: "The accelerated method applied to Iran's industrialization on the principle of 'classic' capitalism and

under the slogan of 'White Revolution', by forcibly drawing the country into the 'age of great civilization' were carried out in sixties on the recommendations of American experts, taking careful account of America's economic projects, especially those of U.S. military-industrial complex rather than of Iran's real opportunities and national requirements. Commenting upon the possible repercussions of a revolution in Iran on the U.S., Schultz wrote, "At stake were billions of dollars of arms and wheat exports, three quarter of a million dollars of direct investment, 500 manufacturing American plants in Iran and 41,000 U.S. citizens living in Iran".

U.S. military programmes in Iran included a domestic security component. In 1942, Colonel Norma Schwartzkoff was sent to Iran to re-organise the National Police force. He worked closely with Major General Fazlollah Zahledi on issues of military loyalty and control. In addition to technical advice, the U.S. supplied credits to the Iranian police—17,12000 dollars from 1950 to 1973, and trained several hundred Iranian police officers. From 1973 to 1976, the Iranian police force, gendarmerie and ground forces, and also Iranian security and intelligence organization received small arms, ammunition and grenades. Iran's

3. Ibid...
military expansion after joining the Baghdad Pact in 1953 increased several-fold till it reached incredible proportions. Iranian papers reported that from 1953 to 1961, the government spent more than sixty-five million rials on military and military installations and this was four times the amount she had invested in agriculture, irrigation, industries and mines from 1949 to 1951.1

In 1957, Hussain Ala's government accepted the Eisenhower Doctrine which sealed Iran's political and military alignment with the U.S. It was doctrine directed at the suppression of nationalist movements in the Arab countries and in the Middle East. The Doctrine gave the U.S. right to land her troops in Iran in times of 'Danger.' Americans were now able to establish military base in Iran.

**Suppression of Democratic Movements**

It was in Azerbaijan that the democrats were more active. After their suppression by Cevam, internal crisis leading to differences between him and the royal court deepened. Elections to the 15th Majlis were preceded by rowdy scenes of clashes between the supporters of two groups even in distant places. Cevam's Hezb-e-Democrat (Democrat Party) could not flourish in Azerbaijan mainly because of opposition from Ali Mensur, a prominent

courtier and Governor of Azerbaijan. The controversy spread
even to the press and the Democratic Party of Cagam was to face
a split into two. A number of members of the Majlis and a section
of pro-Shah and Anglophile wing demanded the resignation of
Cagam. The more vocal among these was Ali Asghar Hekmat. Unable
to secure a formal vote of confidence in the Majlis, Cagam
resigned and was replaced by Hakimi, a known Anglophile.

Hakimi’s government announced that it did not favour
Iran obtaining a loan of 250 million dollars from International
Development and Expansion Bank which virtually meant taking a
loan from the U.S. government. Instead, he suggested that the
amount be raised from oil returns in Southern Iran. In this way
the British, with the help of their surrogate, succeeded in
getting revised the Iranian government’s earlier decision of
withdrawing privileges to the Anglo-Iranian Oil Company in
southern Iran. The British had been very subtly moving their pawns
vis-a-vis, the U.S. on the Iranian political chess-board. In May
1946, Hakimi’s government presented to the Iranian Majlis the
first Seven Year Development Plan wherein it was proposed that
its implementation would be undertaken in collaboration with an
American Company named Morris Knudson. Out of the proposed budget

1. The Times, London, January 26, 1946 reported that
the Democrat leaders made use of supporters from
Soviet Transcaucasia.

2. Later on Hekmat was the Iranian Ambassador in New Delhi.

of twenty-one billion rials for the year 1948/49-1955/56, five billion rials were earmarked for building of sea ports, air fields, railway lines and other installations of military importance. This revealed that the imperialists desired to turn Iran into their military and strategic base against the Soviet Union. This naturally forced Iranian economy to move towards retardation. In practice, we find the implementation of the Seven Year Plan entirely in the hands of the imperialists, particularly the Americans. The U.S. did not find it disadvantageous to her interests in Iran when there occurred a change of government in Teheran. On the contrary, the U.S. consolidated its grip on Iran more than what was seen previously.

In order to arrest the progress of the movement of workers and their increasing role in various walks of political and social life, Hakimi government decided to put public sector undertakings on free sale. This was to throw open the door for large scale import of American goods in Iran. But since economic crisis deepened beyond redress, and also since the Americans did not find themselves favourably disposed towards the government of Hakimi because of latter's pronounced tilt towards the British, Hakimi was compelled to resign his post in June 1948, and was succeeded by Hajeer. But this too could not stem the tide of dissatisfaction among the working class, nor were the economic ills remedied. Then there were a few changes of Prime Minister when on August 9, 1949 General Kazemzadeh occupied the seat.

1. Ivanov, M.I., op. cit., p. 135.
Progressive and democratic forces under the leadership of the Tudeh Party launched a concerted struggle against Anglo-U.S. imperialism in Iran. Representatives of various sections of people and the progressive press demanded expulsion of American 'military advisors' from the army and gendarmerie besides revoking the Iran-U.S. Agreement of October 6, 1947 which they said was shameful for Iran. Reactionary circles in combination with the imperialists tried to suppress the discontented people. In the early months of 1948, group arrests and expulsion of labourers from factories was effected in a number of cities, Tehran, Isfahan, Gilan, Mazandaran and other places. In a single day in April 1949, as many as 800 persons were arrested in Tehran alone besides 1800 labour members of the Tudeh Party. In a number of cities, in the northern parts like Babol, Sari, Zirab and Gorgan, military rule was announced. Reactionaries and imperialists resorted to hatching conspiracies, circulating rumours and fomenting trouble. In the early months of 1948 reactionary clergymen, spies and British activists instigated anti-Baha'i hysteria, resulting in the massacre and loot of this religious minority community in the cities of Reza'iyeh, Naregah, Pahabed, Mian-do-Ab, Durud and Shahroud.

1. Ibid. P 146
2. Ibid.
Imprisonment and extirpation of the democrats aroused dissatisfaction among the masses; it appeared as if the entire economic system was on the verge of collapsing. The price of bread rose enormously in 1948, and there were large scale demonstrations in a number of towns. In Qom and Qazvin, there were clashes between the demonstrators and the police.

In the same year surfaced public resentment to the wholesale grabbing of Iranian oil wealth by the Anglo-Iranian Oil Company. Even the government of Prime Minister Majeed submitted a five point memorandum to AIOC in which the aforesaid company was accused of breaking the agreement. In particular, the memorandum hinted that the said company paid dividends after deducting the taxes to be paid to the British government. In 1948, the British government was paid a sum of £15,266,000 sterling, whereas the Iranian government received only £76500 sterling. The other points raised in the memorandum were as follows:

(a) Iran's rights to custom duty for loading and transportation were not taken into account;

(b) Oil was being sold at a price higher than what had been stipulated in the agreement;

In order to weaken the democratic movement, British agents strove to create division in the Tudeh Party, and also in the units of its workers. In January 1946, they succeeded in their effort through the instrumentality of one Khalil Kaliki.

Firniya, Hossein, "Dah 3al Koochish dar rah-i- hozf-wa Bast-o-band-e Iran dar Zamined-e Naft, (Iran's One Years Struggle in safeguarding and protection of oil), Tehran, A.H. (2) 1331 corresponding to 1951, pp. 78-80.
However, this attempt failed miserably and Khalil Maliki was expelled from the party. In a similar manner, a faction of labourers was drawn towards the circles of imposter Marxists. But none of these attempts yielded the desired results, and the strength of Iranian Democrats could not be broken. The Second Congress of Tudeh Party of Iran was held at Teheran from 23 to 26 April 1948 in which the divisive and disruptive activities of Khalil Maliki were unanimously and bitterly criticised. These were characterised as pro-imperialist and reactionary. The Congress took fresh decisions regarding organisational matters, party discipline and propaganda, activities of union of workers, movement of peasants, women's organization etc.

On February 4, 1949 an attempt was made on the life of the Shah, and the assassin was declared to belong to Tudeh party. This was the result of a maligning campaign unleashed by the imperialists to the reactionaries. Military rule was imposed throughout the country, Tudeh Party was declared illegal, party committees and democratic institutions were captured by the troops, scores of progressive papers were suppressed and thousands of active Democrats were apprehended. Many were brought before the military courts. Nearly thirteen active members of the party were tried by the courts in absentia and condemned to be executed.

1. In fact the assassin was a religious fanatic "somewhat more than fringe inimical to the Shah" Avery Peter, *Partisan*, pp. 404-6.

2. Among the leading progressive papers of the day which were suppressed by the government were *Khabar* and *Efer.*
A good number of Party workers was sentenced to long term imprisonment. These repressive and brutal measures forced the Tudeh Party and the Union of Labourers and members of democratic organisations to conduct their movement underground. Simultaneously with the unleashing of repressive measures and destruction of the democratic movement in Iran, steps were taken for the strengthening of the position of reactionary circles. Attempts were made to erode the clauses of Iranian Constitution. The Constituent Assembly made certain revisions in the new constitutional laws. As a result, the powers of the Shah were considerably widened in the sphere of his intervention in the affairs of the State. He was given the right to dissolving the Majlis. For the first time in the history of Iran the Senate was constituted in 1949 in which representatives of Iranian reactionaries and pro-imperialists found themselves deeply entrenched. A formidable anti-national force had been formulated. According to the constitution, out of a total membership of 60 in the Senate, 30 were to be nominated by the Shah and the remaining by the people. Various limitations were imposed on the election of members to the Senate in a manner that a vast majority of people was denied the right to elect them.

**Anglo-American Rivalry**

Reza Khan's successful coup and subsequent rule was established with the covert and overt assistance by Great Britain. It had become sufficiently clear to Britain that the rise of revolutionary tendencies in Iran like those of the Jungal Party movement, the Azerbaijan rebellion led by Khayebani and the movement led by Col. Taghi Khan in the north pretended dancer to
their colonial interests in Iran. If Iran was to be a protective barrier to stem the tide of revolutionary ideas, especially Bolshevism, then the time was ripe for the creation of a powerful Central government which would claim to carry out social and economic reforms. Feudalists with their staunch protagonists, viz., the Khans and Princes, were not able to meet this unavoidable necessity. Therefore, the colluding comprador bourgeois with its economic dependence on colonialism was the mainstay for British dominance over Iran. The result was the coup of 1921, and then the capture of the throne by Reza Khan in 1925. The dismissal of Sayyid Ziau'd-din Faratabal after just one hundred days in the office, the suppression of the Khans and their henchmen, withdrawal of British support to the tribes in the south, and the surrender of hitherto pro-British shaikh Khezal, are indicators to the carefully chalked out policy of creating a bulwark against the growing influence of the Bolshevik revolution. Jazani rightly comments, "... the force behind Reza Khan's ascent to power was a past master of dirty tricks". 

In the economic sphere, no doubt Britain had lost Iranian market during the years of World War I, nevertheless her superior position as an imperialist power met with no serious danger of erosion. She controlled the oil industry of the country, Iran's economic stability depended on oil revenues. This gave a lever to the British in shaping the political strategy of Iranian

government particularly with her influence among the bureaucratic bourgeoisie. The British activised the reactionary forces in Iran and even enlisted the help of the Khans and feudalists who were previously of non-descript antecedents.1

However, as events took shape, the British were not destined to enjoy the uncontested political and economic dominance in Iran. The third force, which had made its appearance in Iran in 1941, namely the United States of America was there to challenge her position and ultimately to wrest from her the vital role of shaping the political strategy not only of Iran, but of the whole of Middle East.

While the British were playing their game, the U.S. imperialists at this time acquired increasing economic influence in Iran. During the closing years of World War II, since Great Britain had to invest mainly in oil productions, she could not export industrial and other goods to Iran. A year or two after the war, the U.S. monopolies succeeded in capturing markets. A strange link was forged between the commercial comprador bourgeoisie in Iran and the U.S. imperialists. For example, the market for vehicles of all types was wholly under the control of the Americans. Second hand U.S. garments and the ornaments and surplus army equipment found a lucrative market in Iran.2 Britain watched these trends but she had to set her own house in order because of post war problems.

1. The strange story of the British Charge d' Affairs in Iran deciding who should succeed Qavam as Premier is told by Peter Avery, loc. cit., p. 427.

After the suppression of the left movement in 1949, and the enactment of law prohibiting political activities, the U.S. demanded a new status in Iran to conform with the changing conditions in the country. This reminded the regime not to forget their share in the oil industry, a demand on which hinged the entire future of Iran-U.S. relationship.

Occupation of Iran by the Allies in 1941 was the beginning of U.S. steady interest and involvement in Iranian affairs. The third force ultimately turned out to be the U.S. and not Germany as envisaged by Reza Shah, during the pre-war days. This makes Ramazani say that the Teheran Declaration of 1943 signalled greater American involvement as a counter weight to Soviet and British power in Iran. In due course of time American role in Iran turned from that of a third force to an "umbrella that the ruling elite of Iran used not only as a shield against the threat from the North but also to protect itself from its local opponents."

Immediately after the Second World War, the U.S. began extending full political, economic and military support to Iran to counter the influence of her powerful neighbour, the Soviet Union which had sufficiently crystallised in the Azerbaijan Nationalist movement or the Iranian Kurdish movement. Iran was grouped by the U.S. with Turkey and Greece for relations under

2. Ramazani, Kuhollah, Iran's Foreign Policy 1941-71, United States, 1975, p. 72.
Truman Doctrine of 1947. The U.S. was instrumental in revoking the grant of oil concessions by Iran to the Soviet Union in 1947. Along with loans and subsidies as will be mentioned soon, the U.S. government made credits available to Iran for purchase of surplus military material. America showed her willingness to sell military hardware to Iran at reduced price. An American military mission had already been stationed in Iran.

In 1950, the U.S.A. initiated Mutual Defence Aid Programme (M.D.A.P.) to which Iran was also admitted, and, in partnership with Korea and Phillipines, was to receive twenty-seven million dollars. American assistance to Iran became almost assured when the Shah overthrew the regime of Musaddiq. But together with monetary assistance under one head or the other, there appeared the Norther Tier Plan of John Foster Dulles that eventually led to the creation of Baghdad Pact of which Iran became a founding member. The pact was a clear indication of American resolve to throwing a strong military security ring round the Soviet Union's southern boundary line. On return from this Middle East tour in

1. Ibid.
2. Commenting on the subject, Lengyel critically says that the Iranian government told the Soviets that a petroleum treaty would be signed only when foreign (Russian) troops left. "The treaty was signed and the legislature said, 'oh everybody knew of course that the Majlis was a rubber stamp," Lengyel wrote. The Changing Middle East. New York, 1960, p. 131.
May 1951, during which he avoided a visit to Teheran. Dulles the U.S. Secretary of State spoke on the question of defence organization in the Middle East. He said that there was "more concern when the Soviet Union is near. In general the Northern Tier of nations shows awareness of danger;"¹

Gradual expansion of American influence in Iran gave Great Britain cause for concern. Upto 1945, Great Britain had, with the assistance of the Anglophile section of Iranian Majlis endeavoured to seek an end to Millsapugh mission. It is now known that she dictated directives to the cabinets preceding those of Ahmad Qavam, viz., Saaid, Sadr and Hakimi. But with the induction of Qavam, the Americans steadily attempted to bust Britain from exerting influence in the cabinet. On the whole British imperialism was satisfied with the anti-Soviet policy of Qavam adopted with the support of the Americans. It was also satisfied with the reession of democratic movement in Iran.² But in no case was Great Britain prepared to surrender her oil monopolies since leaving the U.S. uncontested in Iran meant a blow to her interests. Political circles in Britain and the British representatives in Iran showed their opposition to the U.S. for advancing 250 million dollars as loan and another 25 million dollars as credits for military purposes to Iran.

In particular the British were dissatisfied with the American decision of Gavam government regarding review of monopoly rights to Anglo-Iranian Oil Company. The U.S. ambassador in Teheran had held talks with Gavam and had advised him to revise the Anglo-Iranian oil agreement, and to offer Iranian oil for exploration and exploitation to Irano-American Oil Company or at least to the joint company of Iran, Britain and the United States. He even announced his home government's preparedness to buy all the British shares in Anglo-Iranian Oil Company.

This posed a serious threat to British interests in Iran. For quite some time American oil companies had been trying to snatch some portion of income of the southern oil accruing to the British. In 1946 they proposed to Britain the sale of 20 percent of Iranian oil to them, and also laying a pipeline from Persian Gulf to the Mediterranean Sea. Great Britain was not prepared to allow these concessions, and, therefore, strove for the removal of Gavam from the office of Prime Minister.

This led to a comical situation in which the imperial court on one side and Gavam on the other were involved in bitter rivalry. As far as the matters pertaining to and nullification of the Soviet-Iran agreement of 4 April, 1946 were concerned, there was perfect unity of understanding between them, and on that score

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they had set up a united front, but unrestrained aspirations of Qavam, a surrogate of the Americans, were well known and this had become a source of displeasure to the ruling wing. They feared that since Qavam had concentrated power in his hands, he might aspire to turn Iran into a republic with himself becoming its President.

Anglo-American rivalry in Iran at this point of time stemmed from their economic interests in Iranian oil. American role in the oil nationalization issue came in direct conflict with the British standpoint. The Americans were eager to have their share in the spoils. It became clear to them that control over Iranian oil was the key to political hold over Iran.

It is stated by the analysts committed to progressive movement of the National Front that the prevailing contradiction between the British and the Americans was fully exploited by Mussadiq in his oil nationalization movement. In fact, it was only owing to the American help that nationalisation of Iranian oil could materialise, they argued, but this is not accepted by others. It is argued that the Tudeh Party, during the year

2. Avery, Peter, op. cit., p. 421.
3. Jazani, Bijhan, op. cit., p. 27.
1951-52 misunderstood the contradiction between the two imperialists, and thus failed to identify the main contradiction in Iran. Based on this assumption, it is also argued that Fudeh Party failed to understand Musaddiq's relationship with the U.S. and regarded him as the latter's ally.

This assumption of the Fudeh Party was based on the increasing U.S. influence in Iran reflected by large scale concessions granted to her during the first period of Musaddiq's premiership. In particular mention could be made of President Truman's Point Four Programme. The participation of some pro-U.S. elements such as Amini and General Zahidi in Musaddiq's Cabinet was seen as evidence of this interpretation.

It will also be seen that the U.S. was actively involved in the oil nationalisation affair. In August 1951, Averell Harriman, on behalf of the Americans, tried to negotiate an oil deal with Iran, and Sir Richard Stokes, Lord Privy Seal of Britain arrived in Teheran for talks, which, in final analysis, were destined to fail. The British now felt that they were nearly excluded from oil involvements, were reconciled to the ideas of making concessions to the U.S. and Iran. In fact Harriman's proposal to Musaddiq was just restatement of the British standpoint, that these concessions could be, was not revealed, thus observes the author of Modern Iran. Great Britain continued to fulfil certain obligations to

1. This had come under severe criticism. See Wilber, .. Donald, Contemporary Iran, London, 1963, p. 113.
Iran with the addition—seldom mentioned and known only to a few—of certain supererogatory acts of generosity, until after the oil dispute had gone as far as the Security Council.¹

When negotiations broke down, the British, under given circumstances, took certain economic and political steps to exert pressure on Iran. She withdrew the special facilities given to Iran for converting sterling into dollars. Licences for the export to Iran of materials such as sugar and steel were withheld.² Other measures adopted by the British amounted almost to an economic blockade of Iran at a time when income from oil had stopped pouring in. A boycott of Iranian oil was enforced with disastrous consequences for oil industry of Iran.

American interest in Iran was discernible immediately after the signing of Teheran Declaration. When the war ended, the U. S. was seized with the phobia of communist expansion in the East, and, therefore, was now "putting up fences around the Soviet Union for the protection of the countries that lacked the strength to defend themselves."³ To the imperialist method of "aid and trade", the U. S. added the bogey of 'communist threat' in the case of Iran, and, therefore, persuaded her to join military pacts and alliances.

2. Ibid.,
The U.S. Government had already offered assistance to Iran in 1947, a year in which Washington administration announced the Truman Doctrine for the defence of the Middle East including Iran. In the same year the U.S. signed a pact with Rehen under which a military mission was to help increase the efficiency of her army. The pact contained the significant clause that Iranian army matters might not be entrusted to experts of other countries without American consent. This was followed by large scale intrusion in Iran administratively as well as militarily. An American military mission under General Robert Crow, the Second World War Commander of the 16th Armoured Division, was invited to reorganize the Iranian army. American aid to Iran was extended over a broad front through Mutual Defence Assistance Programme, through Joint IV Programme, the Export Import Bank and the Near East Foundation. Indirectly, too the U.S. helped through the U.N. institutions such as the International Bank for Reconstruction and Development. Between 1951 and 1961, American loans to Iran were over 200 million dollars and economic and military grants of about 850 million dollars.

1. "C'est Britain was no longer in a position to continue the policy of containment when she called upon the U.S. for help ... on March 12, 1947. President Truman spoke and his words made history. The Truman Doctrine was born, and has served since then as the foundation of American policy to fill up power voids not only in the Middle East, but in Europe, South East Asia, and the Far East. Thus was born Pax Americana, successor to the Britannic Peace, an epoch ended and another historic age begun." Ibid., p. 48.

The Export and Import Bank, Washington, advanced a loan of 825 million dollars to Iran in 1950 and a grant of five million dollars under the Point IV allocations. Subsequently, in 1952, the Point IV aid programme was expanded. It will be noted with extraordinary interest that within a month of Musaddiq's fall in 1953, President Eisenhower had approved 45 million dollars in emergency as economic aid to Iran. Between 1949 and 1952, America provided a total of 33 million dollars in grants and loans, but about 8500 million between 1953 and 1957, earmarking one quarter for the military. There are varying reports about the financial assistance given by the U.S.A. to Iran between the years 1953 and 1961. Though official records are not available on the subject, yet analysts have ventured to probe into the matter, and their findings are somewhat like this:

(a) economic and technical aid of 611 million dollars,
(b) economic aid worth 500 million dollars and military aid worth 400 million dollars,
(c) loan worth 200 million dollars and economic and military grant worth 850 million dollars.

References:
5. "Iran in Continuing Crisis; Young, R.C. in Foreign Affairs. 40 (2) January 1962, p. 280.
Military and economic aid worth 1.031 million dollars. Of this 197 million were as loan and 833.1 million dollars as grant. Out of the total of 548.1 million were as economic assistance (197 million as loan and 35.1 million as grant) and 482 million as military assistance (436.1 million as MAP grant and 45.9 million as transexcess stock).

The U.S. imperialist policy in Iran during Kennedy administration (1961-63) summed up by Fred Haliday is in fact the continuation of the U.S. policy initiated during and immediately after World War II. He writes, "The Iranian economy had been in recession since 1958, the budget was in deficit, and the Shah was in conflict with a number of civilian and military officials. In January 1961, the Kennedy administration let it be known that it would only continue to support the Shah on condition he put through a programme of reforms. A million dollar U.S. loan was made dependent on certain policies being implemented. The U.S. position in Iran was similar to its position in Latin America where a reform programme, under the rubric of Alliance for Progress was launched to pre-empt the impact of the Cuban revolution. In both cases, the Kennedy administration believed that for political reasons the only way to preserve the pro-western (i.e. capitalist) states in the Third World was to put through a reform programme within which land reforms had a special place."

By 1959, the imperialist support to Iran as a colony of the capitalists and against the wishes of her broad masses had become clear. Other steps followed: western banking circles also showed increasing interest in Iranian business. It was by natural that the shrewed bankers should wish to float money to a country which was in receipt of such large subsidies. In March 1958, Laz and Brothers and the Chase Manhattan Bank entered into an agreement with Iranian partners for the foundation of a Development Bank, and in May, after careful investigations of the prospects, the British Bank of Iran and the Middle East re-opened on a small scale in Teheran. There opened up a prospect for local capitalists to follow suit. Ebtchaj, after his resignation from the post of Managing Director of Ilan Organization (Sezmenih Barnameh) in 1959, opened a private bank in Teheran with several branches and did a thriving business. In the Iran-English Bank, the Chartered and Eastern Bank held 49 percent of the shares.

The real motive of U.S. policy, as will be seen in pages to follow, was to contain the expansion of communism on a global scale in general, and to achieve military superiority over the

1. Avery, Peter. _op. cit._, p. 485.
U. S. S. R. in particular. This was clearly stated by Ambassador Richards during his testimony before the House of Foreign Relations Committee in May 1957. He said, "As long as we make sure that the forces of International Communism do not outdistance U. S. in the military field?"¹