

Operation Ajax Undermines a Democratic Iran: 1953

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Key FactsGlobal ContextKey Figures

Africa

The Mau Mau Uprising (1952–1960) begins in 1952 as a Kenyan nationalist militant group called the Mau Mau rebels against British colonial forces.

Asia and Oceania

The Korean War (1950–1953) ends on July 27, 1953, in a stalemate between the U.S-backed South Korea and the Soviet-backed North Korea.

Central and South America

On July 26, 1953, Fidel Castro (1926–) and other revolutionaries attack the Moncada Barracks in Cuba; this event is considered the start of the Cuban Revolution (1953–1959).

Europe

Soviet leader Joseph Stalin (1878–1953) dies on March 5, 1953.

Middle East

Women in Lebanon gain the right to vote in 1953.

North America

Dwight D. Eisenhower (1890–1969) is sworn in as thirty-fourth president of the United States on January 20, 1953.

Military Leaders

Fazlollah Zahedi (1897–1963), Iranian general.

Political Leaders

Dwight D. Eisenhower (1890–1969), president of the United States.

Muhammad Mosaddeq (1882–1967), prime minister of Iran from 1951 to 1953.

Mohammad Reza Pahlavi (1919–1980), shah of Iran.

Haj Ali Razmara (1901–1951), prime minister of Iran from 1950 to 1951.

Background

During the late nineteenth century, the citizens of Iran voiced their clear opposition to foreign influence or control over their national industries and resources. In 1872 the shah of Iran, Naser al-Din (1831–1896), had granted English businessman Paul Julius von Reuter (1816–1899) broad control over the country's railways, factories, and mineral rights as a way of generating funds to cover Iran's government debt. When the extent of this agreement, known as the Reuter Concession, became known to the Iranian citizens, it prompted widespread complaints that caused the shah to cancel the deal. In 1890, however, he signed a similar agreement offering a British businessman substantial control over Iran's successful tobacco industry. The outcry was so great that the citizens staged demonstrations and launched a boycott against tobacco products. Again, the will of the people won out, and the tobacco concession was undone.

These examples of successful opposition did not mark the end of foreign control over Iranian resources. Oil was discovered in Iran in 1908, and in 1909, the reserves of oil in Iranian territory came under the control of Great Britain through the newly established Anglo-Persian Oil Company, which later became the Anglo-Iranian Oil Company (AIOC) and eventually British Petroleum (BP). British workers extracted the oil, refined it, and shipped it to Great Britain and elsewhere. Iran received relatively little revenue—just 16

percent of the company's net profits—and did not control the export prices. Iran cancelled the contract in 1932, forcing the British to agree to a greater percentage of profits only after prolonged negotiations before the International Court of Justice.

In 1950 Saudi Arabia reached an agreement with the U.S. drilling company Aramco in which the profits of its oil industry would be divided equally between them. This was a far greater percentage than what Iran was getting even under its new agreement, and Iranian calls to take back control of their oil industry began to grow. On March 7, 1951, Iranian prime minister Haj Ali Razmara (1901–1951), an opponent of the nationalization of the oil industry, was assassinated by a member of the radical nationalist movement Fada'iyan-e Islam. Two weeks later, on March 20, Iran's legislative body, the Majlis, approved a measure requiring the Iranian government to take the necessary steps to nationalize the oil industry.

The following weeks brought more demonstrations and assassinations as the Iranian shah, Mohammad Reza Pahlavi (1919–1980), tried to calm opposition to the AIOC's control of Iranian oil. On April 28, 1951, the Iranian parliament appointed a new prime minister, Muhammad Mosaddeq (1882–1967). Mosaddeq was a liberal politician who created social programs to help the unemployed and less fortunate. He was also a nationalist who believed that Iran should seize control of its oil resources. The shah saw Mosaddeq as a threat to his own power.

Mosaddeq officially declared the nationalization of Iran's oil industry on May 1, 1951, bringing the production of Iranian oil under the control of the Iranian government. Thus, Great Britain no longer controlled any part of the production or sale of Iranian oil. The day after the announcement, Britain announced that it would not accept the takeover of its oil company in Iran. The British imposed an embargo on Iranian oil in retaliation and declared that any country caught buying Iranian oil would be held criminally accountable. In response, Mosaddeq issued an order saying all British employees of AIOC must leave Iran by October 4, 1951.

The loss of expertise with the departure of the British workers had significant repercussions for Iran's oil industry. There were not enough skilled Iranian workers to take over the operation. Iran's oil production plummeted after nationalization, and Mosaddeq became politically weaker. Islamic politicians were never comfortable with his Western attitudes, and conservatives

attacked him for the economic losses that resulted from nationalization. Nevertheless, Mosaddeq gained more influence over the military and the legislature after the shah unsuccessfully attempted to replace him with a new prime minister whose plans to reverse Mosaddeq's policies incited riots and protests that forced the shah to reinstate Mosaddeq.

The Event

Iran and Mosaddeq initially had an ally in the United States. Mosaddeq cultivated favor with the Americans by comparing Iran's struggle to that of the United States with Great Britain prior to the American Revolutionary War (1775–1783). U.S. president Harry S. Truman (1884–1972) and U.S. Secretary of State Dean Acheson (1893–1971) both thought highly of Mosaddeq and were sympathetic to the Iranian cause. They attempted to mediate an agreement between the two nations but stopped short of providing financial assistance or expertise on how to run an oil industry.

Great Britain began planning a coup to remove Mosaddeq from power, under the codename Operation Boot. But the British needed allies to fulfill their plan. Despite previous U.S. support for Iran, the British had reason to think they might be able to persuade the Americans to change their allegiance. In 1953 the Truman administration had been replaced by the more conservative administration of President Dwight D. Eisenhower (1890–1969), ushering in a new political climate. The United States had just emerged from its three-year war against the Soviet-backed North Korean Communists with renewed fears about Communist expansion in the world; Britain fueled these Cold War fears by suggesting the possibility of Mosaddeq aligning with the Soviet Communists in its appeals to the Eisenhower administration. In actuality, Mosaddeq was opposed to Communism. However, the oil crisis was taking its toll, and the Iranian Communist party was growing in influence. The United States worried that Mosaddeq would turn to the Soviet Union to help stabilize the economy, which could lead to Soviet expansion into the Middle East and control of its oil, shipping lanes, and other resources.

Just two weeks after Eisenhower took office, U.S. and British officials met to discuss the situation in Iran. The outcome of the meeting was a plan to overthrow Mosaddeq and install General Fazlollah Zahedi (1897–1963) in his place. The plan was approved on June 25, 1953, under the codename Operation Ajax (although the British still referred to the scheme as Operation

Boot). The plan involved the cooperation of British and American officials, the U.S. Central Intelligence Agency (CIA), and the shah of Iran. In August 1953, the shah dismissed Mosaddeq as prime minister, which prompted pro-Mosaddeq demonstrations in the streets. Believing that the operation had failed, the shah escaped from Iran by plane, only to return when pro-shah counterdemonstrations orchestrated by the CIA took to the streets. Coordinated by the CIA, the shah's political and military allies stormed Tehran, and Mosaddeq was forced to surrender to Zahedi, who would succeed him as prime minister after the coup.

The new government run by Zahedi allowed the shah to return to Iran in his former capacity and restored British control of the Iranian oil industry. The majority of oil profits once again shifted to countries other than Iran, mainly Great Britain and the United States. The shah had Mosaddeq tried for treason, and he was sent to prison for three years. After his release, he spent the rest of his life under house arrest.

Global Effect

When the CIA's involvement in the overthrow of Mosaddeq became public knowledge to Americans and others around the world, there was significant backlash. The overthrowing of a democratically elected leader in favor of a monarch with favorable policies to the West was viewed by detractors as unlawful interference with a sovereign nation that was contrary to the democratic ideals of the United States. Those who approved of the action argued that the intervention was necessary to prevent the Soviet Union from expanding its influence into the Middle East.

Opinions of Operation Ajax vary, but its significance is undeniable. The overthrow of Mosaddeq was a major intervention in Middle Eastern politics by the United States. From 1953 into the first decades of the twenty-first century, the United States would continue attempts to shape Middle Eastern politics through espionage and military force.

In Iran, the shah held power for another two decades, but politically he was weak and the administration beneath him was corrupt. The Iranians who opposed the shah deeply resented the United States and other Western countries for interfering in their republic. Mosaddeq's overthrow was one of many catalysts of—and the main focus of anti-U.S. protests during—the Iranian Revolution in 1979, during which the shah was overthrown in favor of a republic ruled by Ayatollah Ruhollah Khomeini (1902–1989), a conservative

Muslim. Islamic leaders had held power in Iran for many years, but they did not fully take over until the 1979 revolution. The conflict over the nationalization of Iran's oil resources indirectly influenced Iran's shift toward becoming the political center of Shi'a Islam, as the nation increasingly looked inward toward its Persian Islamic traditions rather than reaching out to forge relationships with foreign economic partners.

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