

## **Confronting Third World Nationalism: The United States and the Overthrow of Prime Minister Mossadegh in 1953**

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**Grade Level:** High School

**Duration of lesson:** One class period

### **Overview:**

Iran is a country whose name is increasingly being heard in the news, yet many do not understand the complicated diplomatic and political past between Iran and the United States. It is a history that involves fear of the spread of communism and the struggle for control of oil. The 1953 United States sponsored overthrow of the democratically elected Prime Minister, Mohammad Mossadegh, sparked over half a century of distrust and hatred of the United States in Iran.

In this lesson students will delve into the reasons behind the plan to overthrow Mossadegh and bring the Shah to power. The role that anti-communism propaganda played in furthering the United States' ultimate goals in Iran will be discussed by examining primary source documents from the State Department. Ultimately, students will be asked to form their own opinions about the events of 1953 and suggest alternative courses of action. They will make a connection between events of yesterday and their influence on current happenings.

### **Content Standards:**

#### **Era 10 Contemporary United States (1968 to the present)**

**Standard 1:** Recent developments in foreign and domestic politics.

### **Historical Thinking Standards**

#### **Standard 5: Historical Issues-Analysis and Decision Making**

**D:** Evaluate alternative courses of action.

**E:** Formulate a position or course of action on an issue.

### **Objectives:**

- Students will explain why the United States sponsored the overthrow of Prime Minister Mossadegh of Iran in 1953.
- Students will explain how the U.S.-sponsored overthrow of Prime Minister Mossadegh marked the beginning of Iranian distrust of the United States.

The CIA-sponsored overthrow of the democratically elected Prime Minister of Iran, Mohammad Mossadegh, in 1953, is the event that marks the origin of Iranian distrust and hatred of the United States. Up to 1953, the United States was viewed as an ally of Iran in Iran's quest for political and economic self-determination. After 1953, however, Iranians felt anger and hostility toward the United States because of its involvement in the overthrow of Mossadegh and his replacement by the Shah's authoritarian regime. Between 1953 and 1979 the U.S. supported the authoritarian, but pro-U.S., regime of the Shah in spite of its brutality, viewing Iran as a bulwark of anti-communism in the Middle East. When a mass-based Islamic movement overthrew the Shah in 1979, many Americans were shocked at the degree of anti-American sentiment in Iran and perplexed as to its roots, a historical blindness that continues today. The violent anti-Americanism that exists in Iran today shocks most people in the United States. In learning about how and why the CIA led the overthrow of Mossadegh in Iran in 1953, Americans will understand one source of the bitter resentment that courses through Iran today.

Mossadegh is important for Iran, the region and the period because he rode a wave of nationalist resentment of the British and Anglo-Iranian Oil Company's (AIOC) domination of Iran's economy. Mohammad Mossadegh earned the genuine respect, devotion, and loyalty of the people of Iran, mostly because his personal traits struck chords deep in Iranian culture. He was the heroic leader defending Iran against the hated British presence.<sup>1</sup> Mossadegh was known for his personal integrity, acid wit, and brilliant oratory, and was famous for his demands for honest government and the subordination of the Shah to the constitution.<sup>2</sup> Importantly, Mossadegh was viewed as an Ali (martyr of Shia Islam) figure, a man of integrity and

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<sup>1</sup> Mackey, Sandra, *The Iranians* (New York, New York: Penguin Putnam Inc., 1996), 200.

<sup>2</sup> Daniel, Elton T., *The History of Iran* (Westport, Connecticut: Greenwood Press, 2001), 148.

commitment, willing to take upon himself the sorrows and burdens of imperfect mankind.<sup>3</sup>

Between 1951 and 1953, Mossadegh slid from the height of power as Prime Minister of Iran to the humiliation of imprisonment.<sup>4</sup> Mossadegh's fall from grace originated with his historic decision to nationalize the Anglo-Iranian Oil Company. This decision set into motion a chain of events that led to the United States sponsoring the removal of Mossadegh from power.

Mossadegh's rise to power and his eventual fall can only be understood in the context of four related postwar phenomenon: the centrality of the Middle East and its oil to the industrial economies of the West; the rise of Arab nationalism and the determination of so-called Third World nations to wrest control of their own resources from their former colonial masters; British fears of their declining imperial power and influence; and the U.S. assertion of a dominant role in the region.

By 1925, the Anglo-Iranian Oil Company had complete control over oil produced in Iran. The company owned and operated the oil fields, transportation networks, and refineries. The managers were British, not Iranian. The company determined export destinations, quantities, prices, set prices on oil sales to the British navy, and used a complicated set of formulas to determine the profits from which the Iranian government derived its income from oil.<sup>5</sup>

By the 1930s and 1940s, the Iranian government was seeking higher levels of profit share from the AIOC, as were other oil producing states from the giant corporations which dominated oil production. Attempts to renegotiate the concession agreement in 1950 met with stiff resistance from the AIOC and the British government, which feared setting a precedent other nations might follow. The AIOC said it would not train more Iranians for supervisory positions,

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<sup>3</sup> Mackey, *The Iranians*, 200.

<sup>4</sup> Mackey, *The Iranians*, 200.

<sup>5</sup> Lenczowski, George, ed., *Iran Under the Pahlavis* (Stanford, California: Hoover Institution Press, 1978), 202.

would not open its books to Iranian auditors, and would not offer Iran more money for its oil.

“One penny more and the company goes broke” said the chairman of the AIOC, Sir William Fraser.<sup>6</sup> In early 1951, the AIOC indicated a reluctant willingness to discuss a fifty-fifty profit split similar to the one which Saudi Arabia had just reached with its own foreign-owned oil company, the Arabian-American Oil Company (ARAMCO). However, by 1951, Mossadegh and other nationalists (those who wanted Iran free of foreign domination) were no longer motivated by increased profit share. Mossadegh believed that Iran would never be genuinely independent until it had eliminated British influence and gained control over its oil.<sup>7</sup> With Mossadegh leading the charge, the Majlis (Iran’s elected legislature), on March 15, 1951, nationalized the Anglo-Iranian Oil Company, making Iran the first Third World country to defy the economic interests of a major power.<sup>8</sup> On April 29, 1951, Mossadegh was elected Prime Minister of Iran and was able to unite a nationalist coalition that shared one common denominator: opposition to British power in Iran symbolized by the Anglo-Iranian Oil Company.<sup>9</sup>

Mossadegh felt confident that the West’s need for Iranian oil provided Iran a sure lever in the battle with AIOC. He also believed that an exclusively Iranian work force could produce and market the oil in Iran’s oil fields and refineries. All British employees of the AIOC were ordered home.<sup>10</sup> Unfortunately, Mossadegh and the nationalists did not grasp the technological and financial complexities of oil.<sup>11</sup> Iranian engineers, long denied hands-on management experience by the AIOC could not operate the wells, the refineries, or the pipe lines. At the same time, the

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<sup>6</sup> Kinzer, Stephen, *All the Shah’s Men* (Hoboken, New Jersey: John Wiley & Sons, Inc., 2003), 87-88.

<sup>7</sup> Mackey, *The Iranians*, 198-99.

<sup>8</sup> Mackey, *The Iranians*, 199.

<sup>9</sup> Mackey, *The Iranians*, 198.

<sup>10</sup> Mackey, *The Iranians*, 200.

<sup>11</sup> Mackey, *The Iranians*, 200.

AIOC organized a boycott of Iranian oil in international markets.<sup>12</sup> Oil export income dropped dramatically. Iranian reserves in British banks were frozen and Britain used its diplomatic influence to persuade the Truman administration in the U.S. not to provide emergency aid or loans to Iran. Thus, tremendous economic strain was placed on Iran (being so heavily dependent on oil revenues) and Iran's domestic politics became much more volatile as a result.<sup>13</sup> Seeking a solution to the crisis, Mossadegh asked the United States to mediate a settlement between the AIOC and Iran.<sup>14</sup>

With respect to nationalization, the U.S. was sympathetic to Mossadegh and hoped to find a reasonable settlement without antagonizing its British ally. In the context of the Cold War, however, Washington's primary concerns were to maintain domestic order in Iran, to keep the Tudeh (communist party of Iran) out of power, and to give the Soviet Union no pretext for intervention.<sup>15</sup> In a May 28, 1953 letter to President Eisenhower, in which he requested desperately needed financial assistance, Mossadegh described Iran as economically ruined and heading toward communism. Already alarmed by the strength of Tudeh, Washington began to view the situation only from the narrow perspective of the Cold War. With Iran lying between the Soviet Union and the Persian Gulf, any sympathy the U.S. might have had for Iranian nationalism evaporated in the heat of global politics.<sup>16</sup> The U.S. no longer felt that Mossadegh could serve the U.S.'s interests in Iran. Under the Eisenhower administration, the U.S. aligned itself decisively with the British and the Shah against Mossadegh.

In February 1953, American and British officials had agreed on a covert operation, code-named AJAX, to overthrow Mossadegh. It was conceived by the British in collaboration with

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<sup>12</sup> Mackey, *The Iranians*, 201.

<sup>13</sup> Daniel, *The History of Iran*, 151.

<sup>14</sup> Mackey, *The Iranians*, 201.

<sup>15</sup> Daniel, *The History of Iran*, 153.

<sup>16</sup> Mackey, *The Iranians*, 204.

General Zahedi and other sympathetic Iranians, and would be executed by the U.S. CIA and directed by Kermit Roosevelt, a CIA agent sent to Iran.<sup>17</sup> The basic strategy was to create an atmosphere conducive to a coup by spreading propaganda about Mossadegh to stir up more public disorder and tribal unrest, and to use fear of the Tudeh to persuade clerics to turn against Mossadegh. One of the most effective tactics was hiring thugs to pose as Tudeh demonstrators and act in a manner frightening to the non-communist public.<sup>18</sup> Kermit Roosevelt employed bribery and contacts provided by British intelligence in the police, armed forces, and the bazaar, and wove together a coalition of the aristocracy, the army, industrialists, major merchants, disillusioned nationalists, and political clerics. Next, Roosevelt sent a throng of people hired by local gangsters to demonstrate in the name of the Shah. The pro-shah demonstrators were able to eventually overwhelm the crowds that showed up to support Mossadegh.<sup>19</sup> Mossadegh went into hiding for two days, and then turned himself in to be tried and convicted as a traitor. This coup was a risky venture and it almost failed. The Shah went into exile because he feared that the coup had indeed failed and the United States had to exert enormous pressure on the Shah to convince him to return to Iran. Upon the Shah's return from his brief exile in Rome, General Zahedi was named Prime Minister. After Mossadegh's removal, the Shah gradually solidified his grip on power with the help of a CIA-trained secret police organization, SAVAK, which became notorious for brutal repression of opposition to his rule.

The U.S. sponsored the coup to overthrow Mossadegh for a number of reasons. Iran had immense oil wealth, a long border with the Soviet Union, an active Communist party, and a nationalist prime minister. Eisenhower's administration, especially John Foster Dulles and Allen Dulles (Secretary of State and CIA Director, respectively), believed there was a serious danger

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<sup>17</sup> Daniel, *The History of Iran*, 153.

<sup>18</sup> Daniel, *The History of Iran*, 153.

<sup>19</sup> Mackey, *The Iranians*, 206.

that Iran would soon fall to communism. Truman agreed with this position as well, but he believed that Britain was being stubborn in their negotiating position, whereas the Eisenhower Administration was more sympathetic to the British position and thought Mossadegh would never compromise and that the resulting turmoil would benefit the Tudeh party. When the British presented their proposal to overthrow Mossadegh and replace him with a reliably pro-Western leader, the Eisenhower administration was immediately interested.<sup>20</sup> The British were very shrewd in deciding not to make the traditional British argument to overthrow Mossadegh, which was that Mossadegh must go because he had nationalized British property. This argument did not rouse a lot of passion in Washington. The British knew that emphasizing the Communist threat to Iran rather than the need to recover control of the oil industry would be much more effective in persuading the U.S. to commit to the operation.<sup>21</sup>

Almost everyone in Iran holds the United States responsible for ending democratic rule in 1953 and installing the long dictatorship of Mohammad Reza Shah. The Shah's harsh dictatorship eventually resulted in the Islamic Revolution of 1979, which brought to power a passionately anti-American theocracy. The radicalism of the Islamic republic has inspired anti-Western sentiments in many countries (as did the overthrow in 1953), most notably in Afghanistan, where al-Qaeda found a base.<sup>22</sup> These events serve as a stark warning to the United States and to any country that would impose its will on a foreign land. The overthrow of Mossadegh inspired bitter hatred that continues to shape the way Iranians negatively view the United States today.

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<sup>20</sup> Kinzer, *All the Shah's Men*, 4.

<sup>21</sup> Kinzer, *All the Shah's Men*, 4-5.

<sup>22</sup> Kinzer, *All the Shah's Men*, X.

## **Vocabulary:**

- Nationalization:** to bring under the ownership or control of a nation, as industries and land.
- Communism:** a theory or system of social organization based on the holding of all property in common, actual ownership being ascribed to the community as a whole or to the state.
- Cold War:** intense economic, political, military, and ideological rivalry between nations, short of military conflict; sustained hostile political policies and an atmosphere of strain between opposed countries; a continuing state of resentful antagonism between two parties short of open hostility or violence.
- Coup:** A sudden appropriation of leadership or power; a takeover.
- Propaganda:** information, ideas, or rumors deliberately spread widely to help or harm a person, group, movement, institution, nation, etc.
- Shah:** Used formerly as a title for the hereditary monarch of Iran.

## **MOTIVATION:**

1. Ask students to discuss:  
Why have the citizens of Iran rejected the political, social, and economic ideologies of the United States?

## **PROCEDURES:**

2. Distribute the photograph of Truman and Mossadegh (RS #1). Explain that Mossadegh was the Prime Minister of Iran from 1951-1953.
3. Distribute Part I of the Student Response Packet (RS #5) and complete with the class. Students may think about and respond to the questions independently, in pairs, or as a class. Ask students to share their responses with the class.
4. Based on the photograph of Truman and Mossadegh the class discussion should conclude that Mossadegh was held in high regard in the United States in the early 1950s. Explain that the United States sponsored the overthrow of Mossadegh in 1953. Students may question why the United States made this decision.
5. Distribute RS #2. Invite students to hypothesize about what changed in U.S./Iranian relations from the picture in RS #1 to the plan in RS #2.
6. Lead a class discussion of the following question:  
What is the main foreign policy concern of the United States in the 1950s?



7. Explain the concept of “nationalization.”
8. The students will be able to list two responses to the question:  
Why does the United States overthrow Mossadegh in 1953?  
Possible Responses: Abundance of oil in Iran, Nationalization of AIOC, Political and Economic instability in Iran, Cold War concerns, threat of communism taking over Iran.
9. Distribute the two memos (RS #3 and RS #4) from the U.S. Embassy in Tehran to the Department of State.
10. Give students time to read both memos. Distribute Part II of the Student Response Packet (RS #6) and have students complete.
11. Lead a class discussion on why Walt Disney was creating propaganda on the behalf of the United States government.
12. Pair students and hand out RS #7. Each pair will create a propaganda poster that promotes the image of the United States to the people of Iran in the 1950s.

**CLOSURE:**

13. Distribute Part III of the Student Response Packet (RS #8) and have students to answer questions based on what they have learned in the lesson.
14. Ask students to write a Brief Constructed Response (BCR) to the following statement, “How did the overthrow of Mossadegh in 1953 shed light on relations between the United States and Iran today.”
15. Start a class discussion of how a different decision in 1953 may have changed the course of United States/Iranian relations.

**Assessment:**

16. Any of the questions in Part III may be phrased as BCR questions if the teacher wants a formal, written assessment to conclude this lesson.

**National Archives. Archival Research Catalog. Photograph of President Truman and Prime Minister Mohammad Mossadegh of Iran, October 23, 1951.** Retrieved (October 1, 2007) from

[http://arcweb.archives.gov/arc/arch\\_results\\_detail.jsp?&pg=1&si=0&nh=1&st=a](http://arcweb.archives.gov/arc/arch_results_detail.jsp?&pg=1&si=0&nh=1&st=a)

This is a photograph of President Truman and Prime Minister Mohammad Mosadegh taken on October 23, 1951. In this photograph of Truman and Mossadegh, students observe the cordial relations between the two government leaders in 1951. In this lesson, students will analyze why the relations between the U.S. and Iran become strained as the U.S. pursues interests in the Middle East that no longer include Mossadegh as Iran's political leader.

**National Security Archive. The George Washington University. Electronic Briefing Book #28. The Secret CIA History of the Iranian Coup, 1953.** Retrieved (October 1, 2007) from <http://www.gwu.edu/%7Eensarchiv/NSAE/NSAE28/summary.pdf>

This is an Action Report by Donald Wilber, apparently based in part on interviews with agents who had been on the ground in Iran during the planning to overthrow Mossadegh. The author of this paper played an active role in the overthrow of Mossadegh and was asked to write a report of the operation while his memory was fresh and pertinent documents were still available. The report summarizes the U.S. efforts to prepare for and execute the overthrow of the Mossadegh government. In this document, students read a first-hand account of the actions taken by the U.S. government to remove Mossadegh from power.

**National Security Archive. The George Washington University. Documentation on Early Cold War, U.S. Propaganda Activities in the Middle East.** Retrieved (October 1, 2007) from <http://www.gwu.edu/%7Eensarchiv/NSAE/NSAE78/propaganda%20005.pdf>

This is a memo from the American Embassy in Tehran to the Department of State, April 5, 1950. It describes possible propaganda to be implemented. This memo outlines the goals of U.S. propaganda in Iran: to encourage economic and political stability in Iran, to demonstrate the industrial and military strength of the U.S., and to show the weakness and fallacies of communism. In this document, students will identify what the U.S. government planned to accomplish with the distribution of pro-democracy propaganda in Iran.

**National Security Archive. The George Washington University. Documentation on Early Cold War, U.S. Propaganda Activities in the Middle East.** Retrieved (October 1, 2007) from <http://www.gwu.edu/%7Eensarchiv/NSAE/NSAE78/propaganda%20004.pdf>

This is a memo from the American Embassy in Tehran to the Department of State, January 18, 1950. This memo makes the suggestion that Walt Disney should be asked to create a propaganda film to defend democracy in Iran. In this document, students will observe the efforts made by the U.S. government to solicit the creation of pro-democracy propaganda to be distributed in Iran.