CHAPTER TEN
UPSETTING THE BALANCE: IRAN AND AFGHANISTAN

For an explanation of material deleted from this chapter, please refer to the note on page xiii.

The sound broke your heart as it stunned your mind.

Allah Akhbar... Allah Akhbar...

It was the sound not of one voice, or even a thousand voices, but the almost unbelievable sound of a whole city: the city of Herat, the major provincial capital of western Afghanistan.

Late in the night of December 27–28, 1979, the Union of Soviet Socialist Republics (estimated population 267 million, estimated gross national product $1.4 trillion), invaded Afghanistan (estimated population 16 million, estimated gross national produce $3.4 billion). For thirty-six hours, thousands of tanks and other heavy military vehicles, and trucks bearing some 100,000 soldiers, rumbled south in single column down each of the two main roads from Soviet central Asia, like two green iron snakes.

While their cargo of soldiers gazed out impassively, the mechanical snakes groaned on, and it seemed their tails would never come. One, on the eastern road, split apart to occupy the valleys around Kabul, Afghanistan’s capital. The other, in the west, passed south through Herat toward the modern Soviet-built airport at Shindand, on the road to the major southern province of Kandahar. In these encampments, out of sight but not out of mind of the cities through which they had passed, the snakes coiled.

Row by row they lined up, trucks, tanks, and armored personnel carriers, in vast open fields by the roadside. The rows were so wide you could not
The road is shaped like a U with its ends in the Soviet Union, and its bottom dipping down through Kabul to Kandahar and back up through Herat. Exit roads shoot out half-way up either side of the U, on the east to the Khyber Pass and Pakistan, on the West to Iran. When a busload of Afghans passed by the encampments, there was an audible gasp. Eyes widened, jaws dropped, and heads turned almost in unison to follow the awesome sight as the bus passed by. Despite much talk in the towns, no one who saw the encampments was prepared for the immensity of the occupation force.

Afghanistan is a ruggedly beautiful land of snow-covered mountains, lush valleys, and stony deserts—of camel caravans against distant horizons, and villages whose tan mud walls wind into labyrinthine mazes. Now the Soviets had determined to occupy it. As the grim parade of troops and armor had driven through the streets of Herat that first day and a half, 100,000 residents watched in awe from windows and doorways.

Every night afterward, for months, the people of Herat would climb to the rooftops of their homes, and stand in the cold, unlit winter darkness. The men, many with black beards, wore wool-stuffed indigo robes, or heavy, secondhand business suits from the West over floppy native shirts, and their heads were wound with flowing turbans. The women covered themselves head-to-toe in chadri, or veils, with only a small window of dark gauze to see through. The children were in rags.

And they would chant. The practice spread to communities throughout the surrounding countryside. For nearly two hours, from about 7:00 until well after the curfew of 8:30, the pathetic wailing of men, women, and children could be heard literally for miles: Allah Akhbar...Allah Akhbar...

God is great...God is great....

The Soviet-imposed government sent armored personnel carriers through the streets with loudspeakers urging the people to climb down from their roofs, assuring them that everything was all right. But the people knew better, and the chanting continued. In a sense, the whole country of Afghanistan was crying out its frustration against an alien communist government that seemed intent on trampling tradition and religion, while doing nothing that people believed was helping them.

Not quite two years before, in April 1978, a tiny band of Afghan communists, obviously acting on the promise of Soviet support, had killed the president of Afghanistan and toppled his government. As the new government tried to impose a communist system, the nation revolted. Officials and Communist party members who visited communities to enforce the new government's laws were attacked and killed.

For nearly two years, the unpopular new government wasted the Afghan countryside with sophisticated Soviet air and ground weapons, trying to
doubtful whether a majority stood with the Soviets met a resistance that was almost universally supported. The ruling Communist party central committee literally shot it out among themselves to see who would lead. In September 1979, one tyrant replaced another in a gunfight. The revolt only intensified. Then, in December, the communists were riveted in power by the Soviet army itself. This was a force the Afghan people were ill-equipped to repel, short of a divine assistance that refused to materialize despite the nightly rooftop summons.

Thousands of market stalls closed in protest against the invasion, in Herat, Kandahar, Kabul, and villages all over Afghanistan. To stop the protest, soldiers visited storekeepers’ homes, ordering them to open their shops or face Afghanistan’s unmerciful penal system. So a new protest was made of the required reopening. The market men arranged to return to work on a day when the government had ordered all shops shut for a special holiday declared by the new puppet president Babrak Karmal. (Karmal, who had taken refuge in Czechoslovakia from political opponents in Afghanistan in 1978, had been kept on ice by the Russians and flown in on the night of the invasion.)

Secret resistance committees were organized in the marketplaces. Shopkeepers chipped in part of their profits, and solicited donations from customers—small amounts, whatever someone could afford. The money was smuggled outside the country, mostly to Pakistan, where arms and ammunition could be bought from ubiquitous village gunsmiths. Men and boys took to the Afghan hills with reconditioned rifles, mostly British one-shot models of World War I vintage. These mujahadeen, or religious fighters (sometimes called “green men” because green is the favored color of Islam), effectively prevented the Soviets or the puppet Afghan government from using the roads, except in heavily armed convoys. In fact, they prevented the government from functioning at all outside major cities.

In marketplaces, shoppers and shopkeepers attacked browsing Soviet soldiers and beat them to death with clubs. After at least a dozen such attacks around the country during the first few weeks of the occupation, the Soviets stopped visiting bazaars. They basically couldn’t leave their encampments, except in heavily armed groups. What the Afghans put up was possibly the most heroic popular resistance movement of this century.

Comparison is frequently made to the U.S. experience in Vietnam. But in Vietnam, a substantial minority of the people had supported the U.S.-backed government, at least at first. Many others feared both sides, so it’s doubtful whether a majority stood with the Vietcong. But in Afghanistan, the Soviets met a resistance that was almost universally supported.

Moreover, unlike the Vietnamese resistance, which got all the equipment it could use from the Soviets, the Afghans carried on their fight without major outside supplies of modern war material. And they were more effective than the underground French campaign against the Germans in World War II.

FOR understandable reasons, the Afghan resistance captured the imagination of the U.S. public. Our government cheer-led for the Afghans, and leaked stories about alleged CIA assistance to them, though it didn’t seem to show up on the scene.* Mainly, Washington concentrated on the sea theory. The invasion of Afghanistan had brought the Soviet army just 375 miles from the Arabian Sea. Everyone knew that Russia had wanted a warm-water port for centuries. All that lay in the way now—assuming the Russians really controlled Afghanistan—was the Pakistani province of Baluchistan. And since Baluchistan had been rebelling against the Pakistani government for more than a decade, it appeared ripe for Soviet infiltration.

From the excellent and little-used port of Pasni in Baluchistan, it is only 400 miles to the Strait of Hormuz, the entrance to the Persian Gulf. Through the strait passes 60 percent of the oil used by the U.S. and its European and Japanese allies. The strait is only about 30 miles across, and the shipping channel is so narrow that one sunk supertanker would plug it.

If this progression of contingencies seems a little hard to follow, it is. But that was the theory. The invasion of Afghanistan threatened the oil supply of the Western world.

Of course, Soviet ships and planes had long had the power to sink tankers in the Strait of Hormuz, even without controlling Baluchistan—if the Kremlin really wanted to start a war with the United States. (If the U.S.S.R. wanted to provoke an attack on its people by a nuclear superpower, there are lots of things it could do.) But a map showing the closeness of the new Afghan bases to the Strait of Hormuz made a dramatic backdrop for President Carter’s televised address to his constituents on what he called the gravest crisis since World War II. Never mind that the MPLA had taken power in Angola four years earlier, which, according to Henry Kissinger’s warnings at the time, would already have given the Soviet navy control over the Persian

*In 1981, reports finally indicated that the guerrillas had an abundant supply of automatic rifles in a couple of eastern provinces bordering Pakistan, though not elsewhere. The fighters using them said these rifles had been brought over to the resistance by defectors from the Afghan army. Though there were tens of thousands of such defectors, some of the new guns may have been CIA-supplied. Still, the resistance fighters didn’t have the hand-held antitank and antiaircraft missiles they needed to really damage the Soviets. The Afghans, through their spokesmen in Pakistan, were begging for such weapons, which are certainly in the U.S. arsenal. The arsenal door, if open at all, apparently wasn’t open very wide. Moreover, some major publications reported that the CIA’s harassment of Nicaragua in 1982 was the agency’s biggest effort since at least the time of Angola, which, if true, would rule out much activity in the Afghan theater.
Gulf oil traffic. Only the most careful observers would detect such hypocrisy.

CIA reports surfaced suggesting that the U.S.S.R.'s rising oil use and declining production might force it to become a net oil importer in the 1980s. This estimate has since been radically changed (the CIA now says production isn't declining, and the U.S.S.R. continues to export oil to the West), but it fit the desired scenario at the time. If the Soviets became a competing market for Arab oil, a Soviet military thrust toward the oil region might intimidate our Arab friends. They might desert the dollar and sell our oil to the Russians. Friendly rulers might be overthrown.

Just the month before the Soviet invasion of Afghanistan, the U.S. had received two disturbing reminders of how transitory its Third World alliances were. On November 4, 1979, Iranian militants had seized the U.S. embassy in Tehran and taken American diplomats hostage. Then, on November 20, some young Moslem fundamentalists had seized the Grand Mosque in Mecca—the first open act of rebellion against the corrupt Saudi Arabian monarchy since the U.S. had begun stationing troops in Saudi Arabia in 1952.

As always, the State Department preferred to focus on how the Soviets might foment revolution by arming revolutionaries. The department generally prefers to ignore how the U.S. foment revolution by strengthening unjust governments and thus creating revolutionaries. Revolting against dictatorship is no longer in favor on the Potomac, and those who support revolts are our enemies. It's a good thing the Marquis de Lafayette's place in history was secure before Caspar W. Weinberger could express his disapproval.

STILL, the oil supplies were a truly vital interest, and the Afghans' plight was compelling. The Soviet army, not some ragtag guerrilla movement, was in action, and nobody knew for certain what the Russians had in mind. The Afghanistan crisis gave just cause for concern. And the U.S. reacted. The form this reaction took, however, didn't seem to impress the Russians much. It mainly levied its toll on the American people.

First, the Carter administration forbade American farmers and grain dealers to sell their wares to the Soviet Union. This transferred a $3 billion grain purchase bill from the Kremlin, which would have paid it, to the U.S. taxpayer. By coincidence, the 1980 presidential primary campaign had stopped off in Iowa, a grain state, at the time of the embargo announcement. Therefore, the embargo had to be arranged so that the grain market wouldn't suffer.

So Carter arranged for the U.S. taxpayer to guarantee the price of grain. This not only meant that the taxpayers paid the Soviets' grain bill; it meant they didn't even enjoy the compensating benefit of cheaper bread, because the domestic wheat glut brought about by the embargo wasn't allowed to reach the free market. The Soviets picked up their grain elsewhere. The futility of this policy was finally conceded when President Reagan, no softer toward Moscow, canceled the embargo.

Next, Carter announced that further Soviet military moves toward the Arabian Sea would bring a direct U.S. military response. A contingent of 1,800 marines was sent to the area to prove that the U.S. meant business—a gesture not only dangerous, but futile. All that the 1,800 marines could probably accomplish in the area of Afghanistan, even if joined by large numbers of their fellows, would be to get rolled over by a million Soviet soldiers and endless thousands of pieces of armor—not because the Soviets are generally stronger than we are, which they aren't, but because of geography.

The Soviets could invade Afghanistan as surely as the U.S. could invade the Baja Peninsula. The danger of a superpower fight in either place is that the inevitable loser, the visiting team, would be faced with a choice of being humiliated or going nuclear. Besides the probability of losing, there was an added disadvantage to the U.S.'s throwing its armed forces directly into the Afghan affair: outright intervention would have forfeited the political gift the Soviets had just delivered.

The Soviets had revealed themselves as self-centered bullies, and were doomed to face the wrath of Afghan patriots for the foreseeable future. The whole Moslem world was upset. Even countries like Syria, Algeria, and Iraq, whose governments normally supported the Soviet Union in international arenas, expressed disapproval. They were obviously thinking twice about their long-term relationships with the Kremlin. Those relationships in fact softened in ensuing years (particularly in the case of Algeria and Iraq), and probably survived at all only because the Arabs needed support by a great power to compensate for the U.S.'s support of Israel.

If enough marines had been sent to the Afghan theater to influence the Soviets' behavior, they would only have diluted the Soviets' disgrace. Yet Carter sent a token force—a stick to be knocked off his shoulder. Apparently, he believed that it would be an expression of weakness to admit there was a square inch of earth that U.S. troops couldn't take and hold.

The U.S. also led a boycott of the Moscow Olympics, which probably did shame the Russians, though at enormous cost to the National Broadcasting Company and its insurers; the network had paid $87 million for the television rights to the Olympics. Keeping the U.S. Olympic team home also permanently deprived talented U.S. athletes of earning the international recognition they had worked for and deserved.

Many athletes proposed instead a scaled-down appearance in Moscow, participating in the events but boycotting the ceremonies. This might have worked better than the total boycott, constantly reminding a watching world of Afghanistan's plight—the more so because the boycott of ceremonies would have represented the voluntary actions of individual American athletic champions, not the policy of the U.S. government. At the very least, it would have preserved the freedom of Americans to run, jump, or televise where they please. No one can say for sure whether the sacrifice of that freedom...
saved any Afghan lives, or brought home the message of Soviet imperialism more clearly to any third-party countries. Usually overlooked, though, is the positive value of showing the world an American system that requires a pretty dire threat to the national safety before the government can order its citizens around. The example of such a limited government would be appealing to many.

Finally, in response to the invasion of Afghanistan, the U.S. moved to support the dictatorships that ruled Pakistan and China. By doing so, it hoped to create some counterforce to Soviet might in the area. In both cases, military equipment was passed out that could some day wind up being used against U.S. interests—in China’s case, maybe even against the U.S. itself.

But the Carter administration showed considerable restraint against attempts by both Pakistan and China to exploit the situation further. The U.S., in this one instance, refused requests to supply much greater military aid to regimes that, like the one in Afghanistan, haven’t been ratified by the people they rule.

FOR all of Washington’s flailing around in search of a meaningful reaction to the Soviet invasion of Afghanistan, however, one logical reaction was never considered. The long-standing U.S. policy of confrontation and intervention throughout the world was never questioned. In fact, analysts suggested, and the New York Times Hedrick Smith flat-out stated, that Carter’s shock over the Afghanistan invasion was what led the president to move closer to the confrontational policies of his national security advisor, Zbigniew Brzezinski, during his last year in office. In doing so, Carter abandoned the more conciliatory policies of Secretary of State Cyrus R. Vance, which he had previously favored. Vance was soon out of his job altogether.

This response ignored the cause of the problem. One thing had made possible the easy Soviet move against Afghanistan. That was the establishment of a government in Iran that hated and feared the United States above all. If Iran’s government hadn’t been preoccupied with undoing years of American domination, it would not have stood idly by while its Islamic neighbors were brutalized by the Soviets. If Iran’s government could have cooperated with the U.S. and U.S.-allied governments in the region, the resources of the Afghan resistance would have more than doubled.

If Iran had a strongly nationalist government just like the one the CIA overthrew there in 1953, then a Soviet occupation of Afghanistan would have required so much greater a commitment of force that the Soviets might never have attempted it. The leader of the Iranian government in 1953, Mohammed Mossadegh, had chased the Russians out of his country, but also wanted to put some Iranian control on U.S. oil interests there. We wanted a government in Iran that we could cow; and we got one that was as easily cowed by the Soviets.

From the first weeks of Soviet occupation, the Afghan guerrilla resistance encountered a puzzling and frustrating refusal by Iran to cooperate. Resistance fighters filtered into Iran from western Afghanistan, just as they filtered into Pakistan from eastern Afghanistan. Yet the experience of Pakistan wasn’t repeated. Instead of finding hospitality and returning with arms, Afghans found no support whatsoever in Iran.

This was especially puzzling, because Iran, far more than Pakistan, had a wealth of arms to supply. Largely thanks to the U.S., the Iranians were armed to the teeth. Moreover, their fierce Islamic militancy made them likelier comrades-at-arms for the Afghan fighters than were the less militant Pakistanis. But the Afghan guerrillas returned across the mountains from Iran disappointed and empty-handed.*

The closed door in Iran had the further effect of isolating Pakistan, and limiting Pakistan’s own willingness to help. Without another country on the Afghan border cooperating, the full brunt of Soviet retaliation for any aid coming in to Afghanistan could be directed against Pakistan. The threat of a retaliatory air strike against Pakistani bases or industry was intimidating. (Maps show a tiny finger of shared border between Afghanistan and China. But this border is just uninhabited Himalayan mountain peaks, impassable even by yaks much of the year. As a supply route, it isn’t worth much.)

With Iranian cooperation, modern weapons from Saudi Arabia, Egypt, and elsewhere would have flowed to the Afghan rebels without the U.S. as a primary instigator. A month after the invasion, an extraordinary assembly was called of the Islamic Conference, an organization of several dozen predominantly Moslem countries designed to keep religious values active in secular matters. Meeting in Islamabad, the capital of Pakistan, all thirty-six countries and various groups that were represented voted to condemn “the Soviet military aggression against the Afghan people.”

It was an unprecedented stance for this or any Third World group. The delegations from Libya and the Palestine Liberation Organization were the only two that objected to naming the Soviet Union in the resolution, and when they were defeated on this issue they went along with the consensus. Saudi Arabia and Pakistan, two countries widely thought of as U.S. allies, were leading the charge against the Soviets and picked up full support from the whole raft of Moslem countries, even the likes of Iraq and Algeria. A speech by the charismatic Mossadegh, the man the CIA tossed out, might have welded the delegates into an anti-communist bloc.

But for the single fact of Iranian hatred for the U.S., and anything remotely connected to the U.S., this extraordinary moment could have produced a supply of modern weapons for the Afghan resistance fighters. The initiative

*The basic source for these statements is numerous interviews the author had with members of the Afghan resistance movement around Herat in January 1980, a month after the invasion. All available evidence since then suggests that the situation persists.
would have belonged entirely to the Afghans' Islamic neighbors, and the U.S. would have been no more than a cooperative trading partner.

A supply of modern missiles to the resistance fighters might eventually have sent the Soviets packing (or, more likely, the prospect would have deterred them from invading in the first place). But the one country most critical to organizing and carrying out this aid was clearly unwilling to do it. First, Iran dragged its heels on opening the conference, forcing a postponement. Then, whereas almost every other country sent its foreign minister, Iran sent a delegation of second-rate functionaries, declaring unabashedly that this reflected Iran's lukewarm support for the meeting. Although the Iranian delegation went along with the consensus resolution condemning the Soviets, it quarreled with the main supporters at every opportunity. It insisted on criticizing the U.S. at a meeting obviously aimed at the Soviets. It balked at a plan to let other Moslem nations mediate the hostage issue with the U.S., so that everyone could concentrate on the Afghan problem. In the end, the opportunity for Moslem military resistance to the Soviets was lost.

The U.S. had sabotaged its own cause—made itself so great an enemy of Iran that even the Soviet Union looked benign by comparison. With far greater efficiency and effect than the Soviets have so far shown in Afghanistan, the U.S. violently repressed Iranian independence for twenty-six years. Every Iranian was aware of it. Yet despite the copious and unmistakable evidence, most Americans still have little conception of what happened. Nor did most Americans benefit from our Iranian intervention; in fact, they suffered from it, first at the gas pump, and now in their national security as well.

(Many U.S. companies have provided such cover for agents, but the *Times* has stood four-square for a presidential decree against the use of any journalistic cover; it has in recent years provided its readers super-professionals in Tehran such as Youssef M. Ibrahim and John Kifner.)
The background necessary to is as follows: Iran was ruled for centuries by a series of dynasties, and was tussled over by British and Russian empires. In 1921, Reza Khan, an army officer unrelated to royalty, staged a coup and declared himself military dictator. Four years later, he decided to become first in a new line of hereditary kings, and had himself so crowned. He renamed himself Reza Shah Pahlevi.

In 1941, he abdicated in favor of his son, Mohammad Reza Pahlevi, who surrounded himself with ostentatious wealth and brutalized his opposition. Pahlevi was pushed into subservience to a constitutional civil government with an elected parliament during the early 1950s. Then he was reinstated to autocratic power by the United States, and finally was chased out for good in 1979.

The drive for constitutionalism in Iran dated back to 1906. The shah then in power had been threatened by a popular political movement. To make peace with his people, he agreed to accept an elected parliament, with a constitution to fix its power. The 1906 constitution stayed in place under the Pahlevi dynasty, though it wasn’t until 1951 that parliament really began to take its power seriously.

It did so under the leadership of Mossadegh, head of a political movement called the National Front. Mossadegh had long been an ardent nationalist. Right after World War II, he campaigned successfully against lingering Soviet occupation of Northern Iran, and particularly against the Soviets’ desire to pump oil from Iranian fields. Largely because of international pressure created by such appeals, the Soviets withdrew. Later assertions that Mossadegh was taking Iran into the Soviet camp usually ignored all this.

Mossadegh did appear eccentric to Western eyes. He concocted a Gandhi-like political image for himself, popular among his countrymen, as an old man, physically weak but morally strong. In public, he walked stooped and with a cane, but was at other times seen capable of running and jumping.

*The Dulles papers are administered by a panel, presided over by a former CIA general counsel. The panel opens the papers to certain people of its choosing. The Wall Street Journal has tried repeatedly to gain access to the papers, but has never succeeded because it wouldn’t agree to a stipulation that any articles to be based even indirectly on material from the papers had to be presented to the panel for advance review; such a review would be contrary to Journal policy. The author ever agreeing to such a stipulation. with the help of John Kelly, editor of CounterSpy magazine. In an interview,
He conducted business, and even met foreign dignitaries, from his bed, dressed in pajamas, much as Hugh Hefner would do later but for different reasons.

In connection with the leftist label the U.S. tried to pin on Mossadegh, it's interesting to note that Truman's secretary of state, Dean Acheson, described Mossadegh in his memoirs as "essentially a rich, reactionary, feudal-minded Persian inspired by a fanatical hatred of the British." As for the shah, Acheson wrote that "the plans, military and economic, that the shah unfolded were too ambitious for the means available" and noted that the impression the shah made on a visit to Washington was "a disappointment to all."

In 1951, the Soviets gone from his country, Mossadegh turned his attention to the Anglo-Iranian Oil Company, which was not gone. It was operating on a sixty-year concession granted by a shah in 1901. The concession had been revised and renewed for another sixty years in 1933. The stock of Anglo-Iranian—which was later renamed British Petroleum—was held about half by the British government, a fourth by Shell Oil, and a fourth by individuals. But it had huge exclusive marketing commitments to Exxon and Mobil.

All these companies were working to prevent any independent oil dealers from breaking the monopoly that they and a few other major oil companies had on the great Middle Eastern sources of supply. The majors had gotten in on the ground floor, signing exclusive long-term agreements with well-greased autocrats decades earlier. They had then made agreements with each other, dividing the world into territories, and promising to restrict sales so they wouldn't compete with each other in various designated markets.

As stated in John M. Blair's landmark study, *The Control of Oil,* "In addition to their natural desire to secure long-term substantial supplies, Exxon and Mobil shared with BP [British Petroleum] the common objective of preventing the inevitable increase in Iranian production from being funneled into world markets by companies less concerned in maintaining the stability of world prices." In other words, if independent companies were allowed to buy Iranian oil, either the U.S. consumer would get cheaper gasoline, or the people of Iran would get more money for their oil, or both. In any case, the cartel members' profit margins would shrink.

Largely because of this and other similar agreements, Exxon, Mobil, and the other major oil companies had antitrust problems with the U.S. government under President Truman. After several years of preliminary investigations, Truman, in June 1952, authorized full-scale legal proceedings designed to open the foreign and domestic oil business to free enterprise by all comers. A grand jury was convened, aimed at ending intercompany agreements that restricted foreign purchases and sales and domestic production.

But the major oil companies successfully resolved these problems when the Eisenhower administration forced the Justice Department to give up its case on August 6, 1953. That was exactly ten days before the CIA's planned coup against Mossadegh in Iran. (As it turned out, the actual coup took place three days later than planned, on August 19.)

The oil companies were represented in this vital antitrust process, and its successful negotiation, by the law firm of Sullivan & Cromwell. Both Eisenhower's CIA director, Allen Dulles, and Eisenhower's secretary of state, Allen Dulles's brother John Foster Dulles, were partners in Sullivan & Cromwell before their government service. Allen Dulles returned to the firm after government service (his brother became fatally ill in office). In other words, the CIA director and the secretary of state at the time of the Mossadegh coup were, in private life, well-paid lawyers for the major oil companies.

Voting control of both Exxon, the world's largest company, and Mobil, appeared to be held by Rockefeller family trusts. In *The Rich and the Super-Rich* (Lyle Stuart, 1969), Ferdinand Lundberg presents Senate figures from World War II putting Rockefeller control at an astounding 20.2 percent of Exxon, and 16.34 percent of Mobil. Because the shareholdings of such large companies are widely distributed, holdings of even a few percent of the stock can wield much power, and secure working control of management.* Rockefeller holdings in these companies have gradually declined as the family trusts have been diversified, but they remain substantial. Henry Kissinger, who figured in the Iran story greatly in the 1970s, came to power as a Rockefeller protégé, received large amounts of money from the family over the years, and showed in many ways that he never forgot it.

In 1950, the parliament (called the majlis) appointed Mossadegh, a longtime member, to chair a committee to investigate the Anglo-Iranian contract. The committee came up with a plan under which Anglo-Iranian would pay Iran a 50 percent royalty on profits, identical to the arrangements Venezuela and Saudi Arabia had obtained from the big oil companies. But Anglo-Iranian insisted on a fixed royalty, which would inevitably come out to much less than 50 percent.

*This is an often misunderstood feature of U.S. corporate capitalism. Dissidents can, if they choose, mount a massive and costly proxy fight trying to rouse a majority of shareholders to vote out management. If ridiculously rich, they can buy enough shares to take control. This is rare, however, and hasn't happened at Exxon or Mobil. Usually, "corporate democracy" is exercised by selling one's shares in a company whose management one doesn't like, and buying shares in a company whose management one does, if such can be found.
Parliament refused the offer, in a session that a State Department observer reported was "marked by emotional excesses." Westerners just didn't understand how deeply Iranians resented the control by a foreign company of their country's biggest commercial asset. This foreign control had led them to hate the British as it would lead them to hate Americans.

In 1951, with negotiations at an impasse, Mossadegh persuaded parliament to nationalize Iran's oil. This proved so popular among Iranians that there were widespread demonstrations in support of Mossadegh. The shah succumbed to pressure and appointed him prime minister. But Iran alone couldn't make the oil flow. Before Anglo-Iranian would resume pumping and buying oil, it demanded compensation for the oil that was due under the concession, but which had been nationalized. Mossadegh said that on the contrary, the oil companies owed Iran back taxes. An agreement hung fire.

For two years, Mossadegh tried to peddle Iranian oil on the open market, but couldn't. Iran had fallen victim to a boycott. The major oil companies, in obvious collusion with each other, refused to buy Iranian oil pending a settlement. So pervasive was the power of the majors over oil supplies and marketing that no independent dared to break the boycott and risk its ability to buy oil from or sell oil to the big companies.

The Iranian economy foundered. The U.S. government responded by cutting off aid, tightening the noose further. This effectively underwrote the position of the oil companies. Truman may have authorized the Federal Trade Commission and the Justice Department to go after the oil monopoly, but the foreign policy establishment proved beyond reach of his or anyone's populist instincts.

At this point we can turn to the Allen Dulles. All deletions are marked. All italicized phrases are emphasized for purposes of Some spellings vary but are phonetic from the Farsi, so it's guesswork anyway:

[An Egyptian diplomat]

Another CIA influenced triumph was the successful overthrow in Iran in the summer of 1953, of old, dictatorial Premier Mohammed
Mossadegh and the return to power of this country's friend, Shah Mohammed Riza Pahlevi.

This leads him to the intervention in Iran:* 

*An unsuccessful negotiating mission led by Ambassador-at-large W. Averell Harriman, later governor of New York State.
In this written appeal, Mossadegh pointed out to Eisenhower the economic hardship Iran was suffering due to the oil embargo. He then proposed, have since been revealed. On June 22, a week before Eisenhower replied to Mossadegh's May 28 letter, Secretary of State Dulles called a meeting on Iran in his office. Present were his brother Allen, Ambassador Henderson, Defense Secretary Charles Wilson, and CIA operative Kermit Roosevelt.

Henderson had already written Eisenhower that "most Iranian politicians friendly to the West would welcome secret American intervention which would assist them in attaining their individual or group political amb-

ations.... Only those sympathetic to the Soviet Union and to international communism have reason to be pleased at what is taking place in Iran."

At the June 22 meeting, Secretary Dulles approved Kermit Roosevelt's plan to overthrow Mossadegh. Eisenhower must have been aware of the prospective coup when he replied the next week to Mossadegh's requests for help. Eisenhower told Mossadegh he would continue the existing small aid program, but wouldn't increase it, and more important, wouldn't help break the oil boycott. In fact, Eisenhower subtly suggested that Mossadegh could solve his economic problems by caving in on the oil dispute. After summarizing this reply,

[Mossadegh]

[a charge that was widely accepted about the U.S. Communist party in Washington in 1953]....

[which came after Eisenhower and the Dulleses had ordered Mossadegh's overthrow]."
maybe they wouldn't have been if they had known

wouldn't have been an issue if the big oil companies weren't boycotting Iranian oil, in collusion with the U.S. government and to the detriment of every U.S. gasoline, heating oil, and electricity consumer—in other words, the entire U.S. public]. . . .

[1953]

The Mossadegh government spared Colonel Nasiri's life, an act of mercy that many Iranians would come to regret. After the shah was restored, Nasiri became the head of SAVAK, the torture-happy Iranian security organization that kept the shah in power over the next twenty-six years. In his memoirs, Kermit Roosevelt acknowledged that SAVAK was organized and trained by the CIA and Mossad—the Israeli intelligence service. When the 1979 Khomenei revolution kicked the shah out, Nasiri was one of the first persons executed.

[This would seem to be evidence that Mossadegh still didn't want to break with the shah, still wanted the door open to compromise.]
[the general’s twenty-five-year-old son, who would later serve as the shah’s ambassador to the U.S., right up to the time the shah was thrown out of office]. . . . [Zahedi]

[and so wouldn’t show up].

[the CIA man] [indicating they were previously acquainted]

[apparently these were U.S. government employees; our Iranian stooges couldn’t even churn out their own propaganda.]

[his wife]

[a not unreasonable demand, considering what was happening]

THE next morning, August 19,
says an embassy official, Richard Cottam, told him the gangs were organized with the help of a friendly and influential Ayatollah.]

Baloney. Stone was no “political officer.” He was a CIA agent—or “master spy,” as the Wall Street Journal labeled him in 1979, after reporter David Ignatius got Stone to open up with war stories over beer and cigars at Stone’s basement poker table. Stone—known as “Rocky”—recalled even “buttoning the uniform of General Fazlollah Zahedi on the day the general was to announce over Radio Tehran that the shah had designated him the new prime minister. General Zahedi, the CIA’s key ally in Iran, was too nervous to dress himself.”

Ignatius also reported that Stone “remembers his young wife sitting in a rocking chair at the Stones’ home in Tehran, hiding a pistol under her knitting as she guarded the life of Ardeshir Zahedi [the general’s son, who later became the shah’s ambassador to the U.S.].”

AS to the role of the CIA agent George Carroll,

This last statement, unproven and questionable as it is, is remarkable. If the U.S. truly believed that the Soviets didn’t want a communist government in Tehran, then the ostensible justification for a U.S. coup vanishes. We are left with no explanation for the coup except for one that might at first glance be rejected as a piece of Socialist Workers’ party campaign rhetoric: a retrieval of the rights of two Rockefeller-controlled oil companies, whose lawyers were running the CIA and State Department, to monopolize Iranian oil in U.S. markets and thereby help fix gasoline prices for the American consumer. Can it be? If so, adding insult to injury, the same consumer was also being dunne for tax money to hire and outfit the U.S. agents who were carrying out the coup.

Of course, the U.S. consumer’s suffering was nothing compared to that of the Iranians, who have been forced to live under brutal dictatorships ever since. The coup was the end of what

reluctantly, and only after Iran had been put into an effective state of siege by the oil boycott.

NOW we get to the concluding scene of the coup, at Dr. Mossadegh’s house, where
HOWARD "ROCKY" STONE, the CIA agent who did everything down to buttoning General Zahedi's uniform, recalled for reporter David Ignatius the victory party at the CIA station that night. General Zahedi, now prime minister, accompanied by his son Ardeshir, went over to Stone and said, "We're in... We're in... What do we do now?"

But as late as 1979, through Democratic and Republican administrations alike, the U.S. government was still going out of its way to identify itself with the shah, and acting amazed and even incensed that such a policy backfired with the Iranian people.

It wasn't the first time such warnings had been ignored. Back in 1950, before the nationalization of Iran's oil, the State Department's energy attaché, Richard Funkhouser, had informed the government presciently, "AIOC [Anglo-Iranian Oil Company] and the British are genuinely hated in Iran; approval of AIOC is treated as political suicide." Yet throughout the 1953 crisis, the U.S. had supported AIOC to the hilt.

HERE is how a standard U.S. university textbook reports the events described here:

"The fear had existed since the end of World War II that the Soviets, none too rich in oil, would move into the Middle East, whose hot sands covered the greatest known oil pool. This critical area threatened to erupt in 1951 when the Iranians, under their weeping Premier Mossadegh, nationalized the British oil refineries. If the British had resorted to strong-armed measures, as they were sorely tempted to do, the Russians probably would have invaded Iran in force, with calamitous consequences. Fortunately for peace, Mossadegh overplayed his hand, and following his internal overthrow, Washington used its good offices to achieve a peaceful settlement of the Anglo-Iranian controversy in 1954.*"

Whew! Good thing the British didn't resort to strong-armed measures!

IN 1961, John Foster Dulles was dead. Allen Dulles had been reappointed to head the CIA as the very first decision announced by President-elect Kennedy. And President Eisenhower retired to a 576-acre farm near Gettysburg, Pennsylvania.

The farm, smaller then, had been bought by General and Mrs. Eisenhower

*The quote is from A Diplomatic History of the American People by Thomas A. Bailey, course text for a New York University history major (the author) in 1963. Bailey was and is a professor at Stanford University. In a 1983 interview, he said the book is still a standard text, and that he continues to update it with new chapters and to correct errors. But he said he hadn't heard about the CIA's role in the 1953 Iranian coup, and so hadn't corrected that. At the end of the interview, he said he would immediately report this news to his publisher, Prentice-Hall, and suggest a correction!
in 1950 for $24,000, but by 1960 it was worth about $1 million. Most of the difference represented the gifts of Texas oil executives connected to Rockefeller oil interests. The oilmen acquired surrounding land for Eisenhower under dummy names, filled it with livestock and big, modern barns, paid for extensive renovations to the Eisenhower house, and even wrote out checks to pay the hired help.*

These oil executives were associates of Sid Richardson and Clint Murchison, billionaire Texas oilmen who were working with Rockefeller interests on some Texas and Louisiana properties and on efforts to hold up the price of oil. From 1955 to 1963, the Richardson, Murchison, and Rockefeller interests (including Standard Oil Company of Indiana, which was 11.36 percent Rockefeller-held at the time of the Senate figures referred to earlier, and International Basic Economy Corporation, which was 100 percent Rockefeller-owned and of which Nelson Rockefeller was president) managed to give away a $900,000 slice of their Texas-Louisiana oil property to Robert B. Anderson, Eisenhower's secretary of the treasury.

In the Eisenhower cabinet, Anderson led the team that devised a system under which quotas were mandated by law on how much oil each company could bring into the U.S. from cheap foreign sources. This bonanza for entrenched power was enacted in 1958 and lasted fourteen years. Officially, it was done because of the “national interest” in preventing a reliance on foreign oil.

In effect, the import limits held U.S. oil prices artificially high, depleted domestic reserves, and reduced demand for oil overseas, thereby lowering foreign oil prices so that European and Japanese manufacturers could compete better with their U.S. rivals. It is difficult, of course, for a layman to understand how any of these things is in the national interest.

Meanwhile, President Kennedy turned the State Department over to Dean Rusk, who had held various high positions in the department under President Truman. For nine years—the entire Eisenhower interregnum for the Democrats and then some—Rusk had been occupied as president of the Rockefeller Foundation.

Has anybody stopped to think that from 1953 until 1977, the man in charge of U.S. foreign policy† had been on the Rockefeller family payroll? And that from 1961 until 1977, he (meaning Rusk and Kissinger) was beholden to the Rockefellers for his very solvency?

*Reported in detail by Drew Pearson and Jack Anderson throughout January 1961 and never substantially challenged.

†With all due respect to the nominal tenure of William P. Rogers as secretary of state during Nixon's first term, Kissinger better fills this description.