CHAPTER TEN

UPSETTING THE BALANCE: IRAN AND AFGHANISTAN

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 product $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 see the end of them, so deep you could not see the back. Everyone knew the encampments were there, but only a relatively few Afghans passed by them, the few who traveled by bus along the country's one major road.

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...

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
suppress the revolt. Communities that resisted the government's will were shot up and bombed, apparently with napalm or other chemical weapons that were morbid as well as lethal. No one knows how many tens of thousands died; the world paid little attention.

But the Afghan army, under orders to kill its own people, shrank, from defections and sabotage. 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 Krem-lin 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 1982, 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. foments 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 softy 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—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.

The Soviets could invade Afghanistan as surely as the Baja Peninsula. The danger of a superpower conflict 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 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 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 the easy Soviet move against Afghanistan. That was the establishment of a government in Iran that hated and feared the United States above all else. 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. 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 military aggression against the Afghan people. (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.

THE best record of how this repression of Iranian independence started comes from the pen of Kennett Love, who was the New York Times reporter in Iran in 1953. Love’s detailed report of what happened that year was never provided to the readers of his newspaper, however. Nor has he chosen to publish it in the more than two decades since he left the newspaper. The report was submitted, rather, to Allen Dulles, who was the director of central intelligence and head of the CIA. And the report reveals something rather startling: that Love helped direct the revolutionary action while reporting on it for the nation’s newspaper of record, never, of course, disclosing his activist role to his readers (or, according to the Times, to his editors).

Love has denied that he was ever actually employed by the CIA. Barring a truly astounding new disclosure, one can pretty well accept the Times’ word that it wasn’t paying him on behalf of the CIA. (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.) Kennett Love later explained, rather lamely perhaps, that he acted as he did because of “misguided patriotism.”

Love’s forty-one-page history of the affair was written in 1960, while he was enjoying a press fellowship on the Council on Foreign Relations—the most prestigious voice of the U.S. foreign policy establishment outside of government. Though Love never released the paper publicly, a copy was obtained from the late Mr. Dulles’s papers, which are stored at Princeton University and are not open for public inspection.*

The background necessary to an understanding of Love’s account 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 1957 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 obtained his copy of the Love paper without ever agreeing to such a stipulation. It was obtained with the help of John Kelly, editor of CounterSpy magazine. In an interview, Love acknowledged having written it.
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 SuperRich (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.

*Blair studied the oil industry for thirty-two years as leading economist for several government antitrust agencies.
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, 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 account of affairs that Kennett Love presented to Allen Dulles. It begins as he began it. All deletions are marked. All italicized phrases are emphasized for purposes of this book, and were not italicized in the original. Some spellings vary from those accepted for this book, but are phonetic from the Farsi, so it's guesswork anyway:

"What part did the United States play in the overthrow of Premier Mohammed Mossadegh and the restoration of the Shah in Iran in the summer of 1953? It is probable that the American role was decisive, that the Iranians who participated in the royalist coup could not have succeeded without American help. It is doubtful that the coup would have been attempted without American cooperation.

"The American activities on behalf of the Pahlevi monarchy were undertaken as the result of a belief by responsible diplomatic and government officials that Dr. Mossadegh's conduct was permitting Iran to fall under communist control. Washington's project to intervene with more than mere economic pressure probably became fixed within the month preceding the successful coup against Dr. Mossadegh [sic] on 19 August 1953. According to my observations at the time, operatives of the Central Intelligence Agency concerted plans for action with Major General Fazlollah Zahedi, retired, who was to lead the coup and assume the premiership. A number of active army officers were won over to the clandestine royalist organization. Bands of professional street-fighters from the slums of south Teheran were enlisted, evidently through the disbursement of large sums in U.S. currency, to carry out the tactics prepared by the CIA agents as a last resort. These bands played an essential part in controlling the streets when a resort to violence became necessary for the royalist cause on 19 August.

"Meanwhile, members of the U.S. embassy advised Mohammed Reza Shah Pahleavi and coordinated the Shah's course of action with the overall strategy of the movement. On a higher level, the U.S. government, having refused Dr. Mossadegh's request for economic aid, launched a massive emergency aid program for the royalist regime with a grant of $445 million shortly after the coup [and $85 million over the next six years]. At the same time, the CIA agents who had blue-printed the coup against Dr. Mossadegh continued to furnish technical assistance in quelling dissident movements that threatened the stability of the new regime. A year after the coup, American cryptographic and police experts and a CIA agent played an important part in rooting out an extensive conspiracy of army officers that was closely linked to the communist Tudeh party.

"The extent and variety of American operations in behalf of the Shah are widely known in outline in the Arab Middle East as well as in Iran. For example, Egyptians in London in 1956 immediately conjectured that Secretary of State Dulles' withdrawal of support for the Aswan High Dam was the opening move for an attempt to unseat President Gamal Abdel Nasser.... [An Egyptian diplomat] likened Mr. Dulles' move to President Eisenhower's refusal of aid to Dr. Mossadegh in June 1953.

"Iranian newspapers evinced awareness of American activities during the week preceding 19 August. Ever since then Middle Easterners have shown a greater appreciation than Westerners of the influence of the American contribution to the royalist cause both on the domestic scene in Iran and upon Iran's international alignment. Indeed, the American endeavors leading up to the coup have been largely ignored by Western accounts of the episode. Some versions [including Love's own in the The New York Times] treat the abrupt restoration of political power to the Shah as merely fortuitous for American policy, whereas, as we shall see, it was a consciously planned accomplishment creditable to American Federal employees..."

"The Central Intelligence Agency, it is true, permitted a claim that it had contributed to the royalist coup to be made in a series of three articles published by the Saturday Evening Post in October and November 1954.

"The authors, R. G. Harkness, stated that they had spent a year preparing the series in close contact with CIA officials in Washington. After attributing a role to the CIA in the Egyptian revolution of 1952 and the Guatemala revolt in June 1954, the authors wrote:

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 Pahlavi.

"The account spoke of the CIA’s ‘guiding premise’ that indigenous freedom forces should be employed wherever feasible. It observed pointedly that, shortly before the August coup, U.S. Ambassador Loy Henderson, CIA Director Allen Dulles, and the Shah’s twin sister, Princess Ashraf, were all in Switzerland at the same time. In the same manner, it noted that Colonel H. Norman Schwarzkopf, a former advisor to the Iranian gendarmerie, had visited Iran before the coup. For the rest, the article gave a summary of the developments of the crisis that were reported at the time in American newspapers without further reference to the crucial part played by American agents.

The account given by the Harknesses is an exception in its assessment of the American initiative in rescuing the Pahlavi monarchy. It appears not to have influenced subsequent accounts and if later writers have quoted the Harknesses, I am unaware of it.

"The relevance of information on the American rescue of the Iranian throne to an understanding of American-Iranian relations would appear to be unarguable. The episode marked the entry of the United States as an interested party into Iranian politics. Previously, the U.S. had stood aloof from events in Iran, even during the existence of the Persian Gulf Command in World War II when thousands of American troops entered the country to maintain the lend-lease supply route to Russia. Deliberately or not, President Franklin D. Roosevelt carried the policy of aloofness to such an extent that he did not inform the Iranian government in advance of the American-Russian Teheran Conference and made only a perfunctory gesture of calling on the Shah while attending the conference.

"Individual Americans had rendered prominent service to Iran. Among them were Morgan Shuster, who was retained by the Iranian government as Treasurer General in 1911; Arthur C. Milispaugh, who headed two financial advisory missions to Iran in 1922 and 1943; and Colonel Schwarzkopf. Iran sought the services of Individual Americans precisely because the American government remained disinterested while Britain and Russia interfered in Iranian affairs and struggled for hegemony."

LOVE then relates some World War II history, and describes the beginning of the cold war with the Soviet Union and Washington’s concentration on containing communism. This leads him to the intervention in Iran:

*His discussion begins with a paragraph that seems contradictory of itself and of other opinions in his paper, so I have deleted it from the text. I include it here for fairness. It says, “It was the prospect of Soviet-controlled communism becoming dominant in Iran

"It was the dispute between Iran and the Anglo-Iranian Oil Company which drew the United States toward its major involvement in the Iranian scene. The United States came forward as a mediator with initiatives including the Harriman mission in 1951, and only later became an associate with Britain in the fruitless bargaining. The Churchill-Truman proposals for settlement of the dispute, presented in August 1952 and bettered in January and February 1953, were flamboyantly rejected by Premier Mossadegh. This experience prodded the United States toward its cloak-and-dagger Persian adventure by leading American statesmen toward pessimistic conclusions about Dr. Mossadegh’s insincerity.

"The final Anglo-American proposal in the oil dispute was made on 2 February 1953. Britain offered to submit for arbitration by the International Court of Justice at The Hague both her own claim for compensation for lost profits in the 42 remaining years of the AIOC [Anglo-Iranian Oil Company] concession and Iran’s counterclaims for back taxes and customs duties.

"Dr. Mossadegh rejected the proposals in an intemperate radio broadcast on 20 March. He described the idea of compensation for lost profits as ‘a form of plunder for which there is no precedent anywhere in the world.’ He spoke of ‘provocative activities of the cunning hirelings of foreigners’ and called for the eradication of foreign influence. There were no further negotiations with Dr. Mossadegh.

"In truth, the premier may have wanted to shelve the oil dispute by taking an extreme position in order to deal with bitter divisions that had riven the domestic political scene. The sight of dissension within Iran, involving the first significant defections from the premier’s National Front to the partisans of the Shah, may also have persuaded London and Washington to let the oil problem wait on the possibility of favorable changes in Teheran.

"In January 1953, the premier had overcome a surge of opposition in the Majlis [parliament] and obtained a year’s extension of his plenary powers. He had obtained these powers in July 1952 after winning a showdown with the Shah on his demand for the War Ministry portfolio in addition to the premiership. Control of the army was the crucial issue. The premier wanted United States support to enable him to hold office long enough to complete his overhaul of the army’s top echelons and to legitimate an interpretation of the 1906 constitution by a Majlis committee that would make the army responsible to the government instead of [to] the monarch. The Shah wanted United States help to dislodge Dr. Mossadegh before he could break the monarchy’s traditional hold on the army.

that prompted the United States to intervene. This was the threat held up by both the Shah’s party and Dr. Mossadegh. Each of them wanted American support, each for his own reasons. The communist threat was definitely secondary, although both used it as bait.

*An unsuccessful negotiating mission led by Ambassador-at-large W. Averell Harriman, later governor of New York State.
Mossadegh and the return to power of this country’s friend, Shah Mohammad Riza Pahlevi.

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“Love then relates some World War II history, and describes the beginning of the cold war with the Soviet Union and Washington’s concentration on containing communism. This leads him to the intervention in Iran:*
"At the end of February 1953, rumors that the Shah planned to leave the country indefinitely provoked wild rioting. A mob, elements of which were former Mossadegh supporters, stormed the premier’s [Mossadegh’s] house in Teheran after a colorful roughneck named Shaban ‘Bemokh’ (‘the brainless one’) Jafari had battered down the compound gate with a jeep. The premier then estimated to be at least 74 [birth date listed in reference works as 1880], leaped out of his famous bed and escaped with unexpected agility over the garden wall into the Point IV [U.S. aid] headquarters adjoining.

The incident occurred eight days after the final Anglo-American oil proposal. It was believed in Teheran at the time that it [the rioting incident] influenced the unbridled xenophobia expressed in Dr. Mossadegh’s reply to the proposal. In crises it is natural for politicians to try to outbid their rivals in nationalist extremism and to accuse their challengers of softness toward the foreign enemy. It happens in this country....

Thus far, Dr. Mossadegh had taken no positive steps to suggest to the United States that it had better help Iran or the country might turn to the communists.... He had been anticommunist throughout his career. During his first year in office the outlawed Tudeh [Communist] party fought him with the bitterness the communists usually reserved for Social Democrats. He was a bourgeois nationalist reformist diversionist rival in their eyes....

There was no real abatement of Dr. Mossadegh’s anticommunism until after [the denial of] his appeal for aid to President Eisenhower... 28 May 1953.... [In this written appeal, Mossadegh pointed out to Eisenhower the economic hardship Iran was suffering due to the oil embargo. He then proposed, as Love summarizes it,] to concentrate on the development of resources other than oil if the United States could not see its way clear to overcoming the obstacles to the sale of Iran’s nationalized oil. This prospect was mentioned with increasing frequency in Iranian nationalist circles in the spring and summer of 1953. An idea born of desperation, it indicated a belief by Dr. Mossadegh that he dared not compromise to achieve an oil settlement.

"President Eisenhower’s reply was not dated until June 29. The President said he had delayed until he 'could have an opportunity to consult with Mr. Dulles (presumably John Foster, although the President probably conferred with Allen W. shortly afterward) and Ambassador Henderson.'"

Here, Love appears to be absent some facts that 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 ambitions.... 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, Love’s account continues as follows:

"The letter was a blow to the Iranian premier. It was evidently designed as such....

"There are several theories as to why he [Mossadegh] did not resign.... The prevalent theory in the West is that he was power-mad. This view was also current among many Iranians at the time....

"Another hypothesis is that he had a Messianic feeling that he alone could steer the country through the perils of the time.

"Dr. Mossadegh may also have felt responsible for carrying to completion his campaign to make the Shah a truly constitutional monarch, limited to reigning rather than ruling, as a matter of political principle. He often stated this principle as well as his loyalty to the Shah.

LOVE says Mossadegh enjoyed “an improvement in relations with the new administration of Premier Georgi Malenkov in the Kremlin.... The prospect of receiving the eleven tons of gold and $8 million owed by the Soviets for wartime occupation charges was especially welcome in the absence of American aid [and, more important, the absence of American oil purchases under the boycott].

"Of far greater significance as far as Washington was concerned was the emergence of the Tudeh party in Teheran. Although the party had been outlawed since one of its members tried to assassinate the Shah in 1949... the United States embassy estimated the party’s membership in Teheran in June 1953 at 8,000 to 10,000 and its national membership, strategically concentrated in the cities, at 15,000 to 20,000 with perhaps two to five times that many reasonably dependable fellow-travellers.... The Tudeh had infiltrated many government ministries [a charge that was widely accepted about the U.S. Communist party in Washington in 1953].... The Mossadegh regime was as vigorous as any in suppressing overt communist activities and in combating the party in the streets until receipt of President Eisenhower’s letter [which came after Eisenhower and the Dulleses had ordered Mossadegh’s overthrow]."

Love notes that when a judge and assistant prosecutor dropped charges against twenty-three members of Tudeh in the spring of 1953 (on the ground
that the party wasn’t communist), the Mossadegh government suspended the judge and prosecutor, and asserted the party was still illegal. But the Tudeh came out of the closet. In July it held a rally of more than 100,000 people right outside the parliament building. Love describes it: “The multitude shouted anti-American slogans. But the only American present, myself, was treated with respectful curiosity by the throng as he made his way across the square. I was received cordially at the speakers’ platform by the Tudeh leaders. They were jubilant over the size of the demonstration they had organized and proud of its evident discipline. They were only too happy to give a newspaper man a grandstand view of it [though maybe they wouldn’t have been if they had known he was getting ready to take an active, covert part in a CIA coup].

“The Tudeh leadership felt that the Nationalists, the disorganized remnant that remained nominally in control of government, would no longer be able to resist accepting Tudeh partnership in a Popular Front in which the Tudeh was certain to predominate. . . .

“I asked Dr. Mossadegh the following day, July 22, 1953, whether he planned to do anything about the resurgence of the communists. He replied that the activities of the communists were merely a symptom of Iran’s condition and that it was more important to treat the condition than to attack the symptoms. . . .

“He said that in the absence of increased United States aid the situation in Iran was dangerous ‘in every way,’ militarily, economically, and politically, and that its outcome could not be foreseen. He also said Iran would have to seek ‘economic ties with any government it can,’ in reply to a question about whether he would seek aid from Moscow.

“I believe Washington made up its mind at this time to intervene in Iran. Dr. Mossadegh, in what was to prove his last interview, had certainly indicated that he might be letting the communist threat grow as a means of squeezing aid out of the United States [Love continually omits that aid 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]. . . .

“By the end of July [1953] the Shah’s position in his struggle to retain control of the army was so desperate that he was willing to risk the onus of being restored by foreigners. . . . Dr. Mossadegh had been reshuffling the command echelons in the army to ensure his control over it. A commission . . . had forced the retirement of some 200 senior officers. And the premier had appointed his own nominee . . . as chief of staff. . . . Unless something could be done about it, Dr. Mossadegh would soon have every important command position filled by an officer owing his promotion to the premier rather than to the Shah.”

* * *

The army was the key factor. Although the tribes had long been a fertile ground for foreign operations, they were unstrategically located far from the capital. The Qashqai, the strongest tribal group, favored Dr. Mossadegh rather than the Shah because of a family feud. . . .

“In order to use the army, the Americans had to find a leader who could persuade the bulk of the army to defy the new chief of staff and strike a blow to restore the Shah.

“General [Fazlollah] Zahedi had all the requisites. He had been Minister of Interior in Dr. Mossadegh’s first cabinet in 1951. He had been interned by the British in Palestine during World War II because of pro-Nazi activities under Reza Shah. He had been twice accused of plotting against the Mossadegh regime, the first time in October 1952, when he escaped arrest because of his parliamentary immunity as a senator, and the second time in April 1953 in connection with the murder of General Afshartos by a group of retired officers. . . . He possessed . . . a reputation for decisive action without too many scruples.”

Love recounts that in his talks with U.S. embassy officials he learned that they apparently were consulting with the shah on plans to dismiss the premier. Love’s account:

“The Shah went to Ramsar on the Caspian with Queen Soraya on 15 August 1953 leaving two firmans dated 13 August with General Zahedi. One served to dismiss Dr. Mossadegh and the other to name General Zahedi premier. General Zahedi was charged with seeing to the implementation of the royal decrees. The General delegated Colonel Nematollah Nasiri of the Imperial Palace Guard to arrest Dr. Mossadegh’s cabinet ministers on the night of 15 August and to serve the dismissal firman on the premier. The plan was betrayed to Dr. Mossadegh [by another officer] and Colonel Nasiri was himself arrested.”

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. Love’s account continues:

“The sleeping city was disturbed that night [August 15-16, 1953] by the movement of tanks through the streets. The curfew was strict, however, and the reason for the stir was not known until the government broadcast an account of an attempted royalist coup in a special bulletin at 7:00 A.M. on 16 August. The government’s version of events ignored the issuance by the Shah of the two firmans. [This would seem to be evidence that Mossadegh still didn’t want to break with the shah, still wanted the door open to compromise.]
“My first observation of the association of the United States with the royalist cause began with a telephone call to me at the Park Hotel from Joe Goodwin, a CIA man attached to the embassy as a political officer.”

How did Love know Goodwin was CIA? Interesting question. The answer is not provided in the account being quoted. In a 1983 interview, Love said he didn’t know that Goodwin was with the CIA at the time of the coup, but found out sometime during the seven years before he wrote the account. How? “I might have asked him,” Love said. What occasioned the question? Love insisted upon repeated questioning that he couldn’t remember. His account continues:

“Mr. Goodwin called shortly after the 7 A.M. news broadcast and asked if I wanted to meet General Zahedi to get the real version of what had happened. It was arranged for me to be taken at 11 A.M. to a rendezvous to meet General Zahedi, who was being hunted by the police. Don Schwind of the Associated Press, the only other American correspondent then in Iran, came too. We were driven to the residence of an American embassy official in Shimran. There we met Ardeshir Zahedi [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] told us that his father had decided on second thought that it was unsafe to be at any given place at any given time [and so wouldn’t show up].”

(Copy the following text into your system and continue)

“THE next morning, August 19, Love reports that as he taxied to an appointment at the embassy, he encountered a mob that said it was on its way “to attack Dr. Mossadegh’s house.”

He adds, “A few minutes later I related the incident to Ambassador Henderson’s charge d’affaires, Gordon Mattison, who had been chargé d’affaires since Ambassador Henderson’s departure for consultations eleven weeks earlier, agreed with me that United States policy appeared to have suffered a major setback. During the day Ambassador Henderson was flown back from Beirut in a special United States Air Force plane. Only Joe Goodwin [the CIA man], who served as communications channel between

Mr. Schwind and myself on one hand and General Zahedi on the other, appeared unruffled. Mr. Goodwin, who had been an A.P. correspondent himself in Iran some years before, reported that General Zahedi had issued a declaration, not an appeal, ordering all Iranian officers to be prepared to sacrifice themselves for their king and religion when the command was given. General Zahedi proclaimed that Dr. Mossadegh’s government had been in a state of illegal rebellion since Saturday night and that he, Zahedi, was the legal premier. Photostats of the declaration in General Zahedi’s handwriting were circulated in the army.

“Tudeh-inspired mobs spent the day battering, hacksawing, and pulling down all the public statues [sic] in Teheran of the Shah and his late father [obviously Love meant “statues”; it was the CIA that was pulling down the statues]. I was nearly pulled from a taxicab by demonstrators who had just toppled a statue of Reza Shah at the railroad station. My life was saved by the driver, a card-carrying Tudeh member, who appeared to know a number of persons in the frenzied mob....

“The press, especially Shahbz and other Tudeh newspapers, published accusations that the United States and Mr. Henderson had been involved in the weekend attempt to unseat Dr. Mossadegh. [Thus the Tudeh papers gave their readers an accurate account; Love was giving his own inaccurate account that ignored what he knew about U.S. responsibility.]

“On Tuesday, 18 August, came the first resurgence of royalist sentiment. It was matched by an increase in the assertiveness of the Tudeh. The communists organized demonstrations at government cement factories, grain elevators, and textile mills demanding the release of ‘political prisoners.’ The Tudeh sacked the headquarters of the right-wing Pan-Iranist party. The Tudeh morning newspaper Shojaat demanded the expulsion of the ‘interventionist’ American diplomats [a not unreasonable demand, considering what was happening] and the ending of all United States missions except the embassy.

“But the morning had seen a small royalist demonstration and in the evening the tide began to turn. Soldiers, dispatched to quell fighting between the Tudeh and the Pan-Iranists, clubbed both factions impartially while shouting ‘Long live the Shah, death to Mossadegh.’ (‘Zindabad Shah, mordabad Mossadegh.’) Carried away by excitement the soldiers swarmed into Lalezar Street and forced people emerging from movie theaters to repeat the same slogans on pain of getting a drubbing from a rifle butt or a jab from a bayonet. The soldiers were ordered back to their barracks as hastily as possible but the royalist tide had turned, as the morrow was to prove.”
derson. He chuckled and turned to a couple of embassy officials whom he had called into his office to hear my account. He said with obvious delight something like: ‘Well, do you suppose we will have to give the old boy (Premier Mossadegh) asylum again? Where will we put him?’

‘Mr. Henderson gave the impression that I was telling him something he expected to hear. He seemed not in the least surprised….

‘On my way back to the hotel my taxi was stopped by an armed gang which forced the driver to switch on his headlights and put a picture of the Shah on his windshield… All during the day similar gangs, armed with clubs, knives, and stones, and occasionally a pistol or rifle, forced every automobile driver in the streets to identify his car with headlights and picture as belonging to a partisan of the Shah.

‘This tactic smothered any possible Mossadeghist rally by preventing anyone from moving in the streets who was not positively identified as a partisan of the Shah. The opposition could not rally because they were precluded from identifying each other.

‘Credit for this tactic and for organizing its use by gangs to control the streets was candidly claimed by a CIA agent named George Carroll, 6-foot-4-inch 200 pounder who had arrived in Teheran from Korea, where, he said, the CIA had been standing by while the United States was considering organizing a popular uprising to oust Syngman Rhee….

‘I do not know at first hand through what channels Mr. Carroll approached the south Teheran gangs that controlled the streets during the coup. [Love says an embassy official, Richard Cottam, told him the gangs were organized with the help of a friendly and influential Ayatollah.] Mr. Cottam also states that Howard Stone, a political officer at the United State embassy, was active in preparations for the royalist coup.”

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 Teheran, hiding a pistol under her knitting as she guarded the life of Ardestir 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, Love reports being told by an unidentified colleague, “in the days immediately following the overthrow of Mossadegh, Ardestir Zahedi came to see Carroll daily. Carroll had an office that was obviously a temporary base with something of the atmosphere of a field headquarters. He and Ardestir would pour [sic] over the maps together for half an hour or so and then Ardestir would go back downtown. Carroll was also a buddy of General Farhat Dadsetar, Zahedi’s first military governor of Teheran. I believe Carroll worked with Dadsetar on preparations for the very efficient smothering of a potentially dangerous dissent movement emanating from the bazaar area and the Tudeh in the first two weeks of November 1953.”

Love concludes that “there can be no dispute over the fact that Mr. Carroll made an important contribution to the royalist success before, during, and after the coup.”

But what Love says next is even more telling. “It is conceivable,” he says, “that the Tudeh could have turned the fortunes of the day against the royalists. But for some reason they remained completely aloof from this conflict. As it turned out, Mr. Carroll’s bands had the streets largely to themselves. Resistance was concentrated at government buildings… Mr. Love’s own conjecture is that the Tudeh were restrained by the Soviet embassy, because the Kremlin, in the first post-Stalin year, was not willing to take on such consequences as might have resulted from the establishment of a communist controlled regime in Teheran.”

This last statement, unproven and questionable as it is, is remarkable. In 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 dunned 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 Love himself admits was a movement toward popular, constitutional government in Iran. If Mossadegh had taken some steps away from popular government in his final months, it was by Love’s own account 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 Love says “a force of gendarmerie and soldiers aided by three tanks put up the longest and bitterest resistance of the day.”

Admits Love with all modesty, “I myself was responsible, in an impromptu sort of way, for speeding the final victory of the royalists. After the radio station fell I went up there to obtain permission to broadcast a dispatch. All
erson. He chuckled and turned to a couple of embassy officials whom he had called into his office to hear my account. He said with obvious delight something like: ‘Well, do you suppose we will have to give the old boy (Premier Mossadegh) asylum again? Where will we put him?’

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‘Credit for this tactic and for organizing its use by gangs to control the streets was candidly claimed by a CIA agent named George Carroll, 6-foot-4-inch 200 pounder who had arrived in Teheran from Korea, where, he said, the CIA had been standing by while the United States was considering organizing a popular uprising to oust Syngman Rhee....

‘I do not know at first hand through what channels Mr. Carroll approached the south Teheran gangs that controlled the streets during the coup. [Love says an embassy official, Richard Cottam, told him the gangs were organized with the help of a friendly and influential Ayatollah.] Mr. Cottam also states that Howard Stone, a political officer at the United States embassy, was active in preparations for the royalist coup.

‘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 Aradeshir 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, Love reports being told by an unidentified colleague, “in the days immediately following the overthrow of Mossadegh, Aradeshir Zahedi came to see Carroll daily. Carroll had an office that was obviously a temporary base with something of the atmosphere of a field headquarters. He and Aradeshir would pour [sic] over the maps together for half an hour or so and then Aradeshir would go back downtown. Carroll was also a buddy of General Farhat Dadsetar, Zahedi’s first military governor of Teheran. I believe Carroll worked with Dadsetar on preparations for the very efficient smothering of a potentially dangerous dissident movement emanating from the bazaar area and the Tudeh in the first two weeks of November 1953.”

‘Love concludes that “there can be no dispute over the fact that Mr. Carroll made an important contribution to the royalist success before, during, and after the coup.”

But what Love says next is even more telling. “It is conceivable,” he says, “that the Tudeh could have turned the fortunes of the day against the royalists. But for some reason they remained completely aloof from the conflict.... As it turned out, Mr. Carroll’s bands had the streets largely to themselves. Resistance was concentrated at government buildings.... My own conjecture is that the Tudeh were restrained by the Soviet embassy because the Kremlin, in the first post-Stalin year, was not willing to take on such consequences as might have resulted from the establishment of a communist controlled regime in Teheran.”

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 dunned 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 Love himself admits was a movement toward popular, constitutional government in Iran. If Mossadegh had taken some steps away from popular government in his final months, it was by Love’s own account 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 Love says “a force of gendarmerie and soldiers aided by three tanks put up the longest and bitterest resistance of the day.”

‘Admits Love with all modesty, “I myself was responsible, in an impromptu sort of way, for speeding the final victory of the royalists. After the radio station fell I went up there to obtain permission to broadcast a dispatch. All...
commercial telegraphic and telephonic communications had been interrupted.... A half-dozen tanks swarming with cheering soldiers were parked in front of the radio station. I told the tank commanders that a lot of people were getting killed trying to storm Dr. Mossadegh's house and that they, the tank commanders, ought to go down there where they would be of some use instead of sitting idle at the radio station. They declared my suggestion to be a splendid idea. They took their machines in a body to Kokh Avenue and put the three tanks at Dr. Mossadegh's house out of action after a lively duel with armor-piercing 75-millimeter shells."

And there we have it, folks—the Iranian correspondent for the New York Times directing the successful tank attack on the home of the Iranian prime minister, overthrowing the government, fixing one-man rule in Iran, and setting off a chain of events that would include the loss of Iranian oil to U.S. markets and the invasion of Afghanistan by the Soviet Union.

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?"

According to Love, this is what they did: they, and the street forces that supported them, began converting into local currency the bribes the CIA had paid them for their work—all U.S. taxpayer dollars, of course, and in such abundance that they overwhelmed Tehran's not exactly unsophisticated marketplace.

Wright Love, "Large amounts of American currency began to flow into the foreign exchange market immediately after the coup, reportedly coming from sources in south Tehran. The United States currency entered the market in such quantity as to depress the dollar in favor of the rial. On 23 August I paid a dollar check to I. Finzi, a merchant, for an Isfahan rug, the transaction being based on the assumption that the dollar had at least held its own at the precoup rate of up to 128 rials. Mr. Finzi returned after an interval saying that he did not know what had happened but that the rate for checks had fallen below 80 rials to the dollar while dollar currency was selling for as little as 50 rials.... I think it can be reasonably inferred that the glut of dollars was coming from the chaqu keshan [street gangs] and that it represented their wages for the work of 19 August."

Love ends his account thus:

"The remainder of the story, Dr. Mossadegh's surrender and trial, the dissipation of much of the Shah's esteem as a result of the excesses committed by the police state developed by General Zahedi in place of the mob law that evolved under Dr. Mossadegh, need be summarized no further here.

"What is significant is that Americans restored the Pahlavi monarchy when it threatened to give way before a premier dependent on communist support and that Iranians are well aware of the American role although the American public is not. Thus it is that many Iranians hold the United States responsible for creating and supporting a regime that they believe has become an increasingly malign influence on the political, social, and economic life of the country."

All this, Love told Allen Dulles, while Dulles was director of all U.S. intelligence gathering. 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.

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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 Deak 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?

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*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.

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CHAPTER ELEVEN
REPRESSING THE MARKETPLACE: THE MIDDLE EAST

We are taught that the opposite of communism is the free market. So one might imagine that the defeat of communism in Iran in 1953 would have brought a free market, at least as far as the U.S. was concerned. One might imagine that the U.S. government would have opened its information and its good offices to any taxpaying citizen who might have wanted to deal in Iranian oil, so that the marketplace could favor the most efficient, and provide the cheapest gasoline and fuel oil for the American public.

But of course not.

Almost before the Iranian street gangs could exchange their CIA bribe money for local currency, the State Department was at work deciding who was going to be allowed to buy or sell Iranian oil and at what price. It was all done, or so it was said, to help the U.S. cause in the cold war. But, as usual, the oil powers made out, the small-timers were closed out, and the public shelled out.

At least one voice in government did argue otherwise—the State Department petroleum attaché, Richard Funkhouser, who advised (as he later testified), “The U.S. government should promote the entry of new competition into the Middle East, particularly the competition of U.S. companies and particularly U.S. independent companies.... The control of Middle East resources by the major international companies is subject to serious criticism by both friendly and unfriendly states.”

But instead, the State Department huddled with Exxon executives (according to the 1974 Senate testimony of Howard W. Page, vice-president of