

DEPARTMENT OF STATE

~~TOP SECRET COVER SHEET~~

1. TOP SECRET CONTROL NUMBER

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4. BRIEF DESCRIPTION OF ATTACHED DOCUMENT(S) (Origin, subject, reference no. or other pertinent data)

788.00/11-2652
Memo from NEA- Byroade
re. Proposal to Organize Coup d'etat in Iran and Oil
Problem.

2. COPY INFORMATION

ACTION COPY _____ INFORMATION COPY _____

Original

TELEGRAMS, DESPACHES, ETC. _____

COPY NO. OF COPIES

3. DATE AND NAME OF PERSON PREPARING FORM

JASparrow

5. FORWARDED

12/14/55

(Date)

[Signature]
(Top Secret Control Officer)

6. PERSONS TO WHOM ROUTED OR READING DOCUMENT	7. OFFICE SYMBOL	8. SIGNATURES	9. DATE RECEIVED	10. DATE READ	11. DATE RELEASED
Pauline Carroll	E	<i>P. Carroll</i>	12/14/55	—	12/15/55
Robert Eakens	FSD				
Herbert Glantz	DFI	<i>H. Glantz</i>	12/15/55	12/15/55	12/15/55
STATE DEPT. DECLASSIFICATION REVIEW <input checked="" type="checkbox"/> Retain class'n <input checked="" type="checkbox"/> Change/classify to <u>SECRET</u> <input checked="" type="checkbox"/> Declassify with concurrence of <u>CIA</u> after <u>STATE</u> approval release on <u>7/2/5</u> EO 12958, 25X (b)1 IPS/CR/IR by <u>J. GRAY</u> Date: <u>7-19-99</u>					
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788.00/11-2652

DEPARTMENT OF STATE

ASSISTANT SECRETARY

November 26, 1952.

NEA

file

TO : G: Mr. ~~Matthews~~
FROM : NEA: Mr. Byroade *B*
SUBJECT: Proposal to Organize a Coup d'etat in Iran

This Document Must Be Returned To
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Problem:

The British Foreign Office has informed us that it would be disposed to attempt to bring about a coup d'etat in Iran, replacing the Mosadeq Government by one which would be more "reliable", if the American Government agreed to cooperate. British and American intelligence agencies have had very tentative and preliminary discussions regarding the practicability of such a move but cannot go further unless the State Department is prepared seriously to consider it as a matter of policy. The intelligence representatives have requested a definite statement on this point.

Background:

You will recall that the British Embassy on October 8 gave us a paper which outlined possible ways of meeting the threat of Communism in Iran. Pursuant to your instructions, Jack Jernegan and others from the Department and CIA have had three meetings on it with British Embassy and Intelligence representatives. (The first of these was summarized in Jernegan's memorandum of October 23). Among the possible lines of action mentioned in the British paper was the organization of a coup d'etat, but the paper itself dismissed this as an impracticable course because of the lack of a suitable Iranian leader. At a meeting held yesterday, however, the British Embassy said that further consideration has led the British Government to conclude that a coup d'etat might well be within our capabilities and is probably our best chance to save Iran.

While the Embassy representative (Bernard Burrows) did not give details of the British reasoning, it appears that the Foreign Office has come to this conclusion because (a) British intelligence has reported that an organization which could handle the job exists in Iran, and (b) the Foreign Office sees virtually no prospect of an oil settlement with Mosadeq and has little hope that his Government will be able to prevent a Communist takeover.

The British do not appear to have a specific candidate in mind as the leader of the suggested coup d'etat. Judging from our preliminary discussions with them, they would be willing to settle on any one of several, the list including both "old guard" politicians and the more moderate of the nationalist leaders. They say that the organization with which they are in contact is equally flexible in its views about a leader. None of the men mentioned, however, sounds like a really strong figure who could command general support.

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CIA and NEA believe that the ability of a new Government to maintain itself following a coup would depend upon the prompt availability of political and financial support from Britain and the United States and the early conclusion of an oil agreement. We gather that the British concur in this. The British Government, however, would probably not be willing to offer to the new Government anything substantially better in the way of an oil settlement than the proposals it would be prepared to make to Dr. Mosadeq. It would rely, therefore, on a more reasonable attitude on the part of the new regime and on the mobilization of moderate public opinion in Iran to induce that regime to accept these proposals.

Discussion:

The talks on the British paper started out on an informal and strictly exploratory basis, at the express request of the British. The change in the British attitude regarding a coup d'etat has now converted them into something much more immediate and definite and seems to require serious attention at a high level. (Sir Christopher Steel has requested an appointment with you to discuss the whole matter.) At the moment, we are called upon to say whether we are willing seriously to consider the suggestion, so that the covert operating agencies may know whether it is worth their while to get into detailed study of the technical aspects, (which would involve considerable exchange of highly sensitive information,) or whether we think the project should be dropped here and now. Two British intelligence representatives have come to Washington especially for this discussion but will be leaving early next week unless the subject is to be pursued.

We could agree seriously to consider the coup d'etat proposal without committing ourselves to its eventual execution, but it must be recognized that we would be making a considerable step in that direction. The final decision to attempt it or not might have to be made by the first of January, since the covert agencies say next April or May would be the best time to make the move and about four months of preparation would be necessary.

One element which must be taken into consideration in making our decision is that we are presently thinking of unilateral action to assist the Mosadeq Government in the event that the British do not agree to an oil settlement acceptable to Mosadeq. It would be virtually impossible to proceed with plans to overthrow Dr. Mosadeq while at the same time giving him open assistance. Obviously, our assistance would have the effect of strengthening his Government, whereas the proposed plan for a coup requires a period of "softening up" designed to discredit him and make clear to the Iranians that he can expect no help from the Western Powers. In any case, it seems most improbable that the British would agree to collaborate in the preparation of a coup if we were acting unilaterally in a different direction.

With reference to this last point, it is not inconceivable that one reason for the British suggestion is a desire to forestall unilateral American assistance to Mosadeq. They might take even a tentative agreement on our part

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to proceed with the coup plan as meaning that we had abandoned the idea of unilateral action, and this interpretation might lead them to be less flexible with regard to new oil settlement proposals of the kind we are now discussing. Conversely, our refusal to consider the new plan for a coup might induce them to make more determined efforts to reach an agreement with Mosadeq. It must be expected that rejection of the British approach would be interpreted by them as emphasizing our determination to press for settlement of the oil dispute with the Mosadeq Government and, in conjunction with the Secretary's remarks to Mr. Eden, as emphasizing our continued disagreement with their estimate that Mosadeq must go before a settlement can be reached.

Another obvious and vital consideration is the degree of assurance we can have that preparations for the move and our connection with it would not become known, and that the coup would eventually succeed. CIA believes that the project is probably feasible and that it could probably be handled in such a way that British and American connection with it could never be proven. However, there can never be absolute assurance in regard to a matter of this kind especially in a country like Iran. Many things could go wrong. Furthermore, it must be assumed that the Iranians would charge the British with complicity in any sudden political development of this sort, with or without proof, and that this charge would be echoed by the Soviet bloc and probably many elements of the Near East and Asia. The general trend in Iran has been so steadily against the West that any sudden change brought about by unusual methods would look fishy to world public opinion.

Even if the coup were successful, temporarily, it would not do us much good if at the same time we further alienated the mass of Iranian people and the other peoples of the Near East and South Asia.

There is also the danger of possible violent Soviet reaction, especially if the coup was not completely successful from the beginning. If some national front leader, such as Kashani, were able to join forces with the Tudeh and they established themselves somewhere in the northern provinces, claiming to be the true representatives of the Iranian people, we could have a situation even more serious than we have today. Such a group would undoubtedly have strong Russian support, and the difficulties it could create for the central Government in Tehran are obvious. Even the resumption of the flow of oil and other Western assistance would probably not be sufficient to redress the balance.

Conclusions:

1. Although we cannot be assured of success in our efforts to save Iran under Mosadeq, agreement at this time to join with the British in preparing a coup d'etat against Dr. Mosadeq would weaken any chance of success of our present efforts to formulate a new oil settlement proposal which might be acceptable to the Iranians and the British.

2. It would necessitate renunciation of any policy of unilateral American assistance to the present Iranian Government and would produce a serious

deterioration

deterioration in our relations with Iran over the next several months. Satisfactory relations might or might not be reestablished after a new Government had been brought to power.

3. There can be no guarantee that the project would succeed or that its leader could govern Iran more effectively than the present regime.

4. Even if it were successful, the proposed coup might in the long run work to our disadvantage not only in Iran but in other parts of the world, especially the Near East.

Recommendations:

1. That you receive Sir Christopher Steel early next week and hear his statement of the British Government's views.

2. Unless he brings out some new element of importance requiring further consideration, I recommend that you reply as follows:

(a) We have given this suggestion careful consideration. It seems to us to be full of dangers and uncertainties, which would not be ended even after the successful execution of the coup. Therefore, while we do not dismiss it entirely, we would prefer not to enter into combined planning on this course of action at this time.

(b) In any case, we do not wish to give serious consideration to such a course of action unless and until further efforts have been made to reach an oil settlement with Dr. Mosadeq. For the present we believe both governments should urgently concentrate their attention upon moving forward along the lines of the Secretary's recent remarks to Mr. Eden in New York.

I would suggest that when you see Sir Christopher Steel you have Paul Nitze on hand, since the British Embassy has specifically expressed a desire to have him brought into this picture. It might also be well to have Jack Jernegan in attendance because of his familiarity with the previous informal discussions. I would, of course, also be at your disposal if you want me to come in.

Concurrences:

JMS
S/P - Mr. Nitze

JMS
S/P - Mr. Berry

JMS
ENA - Mr. Beale

Ambassador Henderson
log.

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Record Group 59: General Records of the Department of State
1950-54 Central Decimal File
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National Security Archive,
Suite 701, Gelman Library, The George Washington University,
2130 H Street, NW, Washington, D.C., 20037,
Phone: 202/994-7000, Fax: 202/994-7005, nsarchiv@gwu.edu