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# **(U) Operation Ajax**

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From Intellipedia

(U) **Operation Ajax** (1953) (officially TP-AJAX) was a covert operation by the United Kingdom and the United States to remove the democratically elected nationalist<sup>[1]</sup> cabinet of Iranian Prime Minister Mohammed Mossadegh from power, to support the Pahlavi dynasty and consolidate the power of Mohammed Reza Pahlavi in order to preserve the Western control of Iran's hugely lucrative oil infrastructure<sup>[2]</sup>.

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#### (U) Origins

The idea of overthrowing Mossadegh was originally conceived by the British. They asked President Truman for assistance, but when he refused, the British proposed the idea once again to Eisenhower who became president in 1953. The new administration agreed to participate. <sup>[3]</sup> Mossadegh reasoned that Iran ought to begin profiting from its vast oil reserves. He took the steps to nationalize the oil industry which had previously been exclusively controlled by the Anglo-Iranian Oil Company (later changed to The British Petroleum Company). Britain argued that Iran was violating the company's legal rights and masterminded a worldwide boycott of Iran's oil that submerged the country into a financial crisis.

#### (U) Disputed oil contracts

1909 - 1955 In May 1901, William Knox D'Arcy was granted a concession by the Shah of Iran to search for oil which he found in May 1908. This was the first commercially significant find in the Middle East. On 14 April 1909, the Anglo-Persian Oil Company was incorporated to exploit this find. The company grew slowly until World War I when its strategic importance led the British Government to acquire controlling interest in the company and it became the Royal Navy's chief source of fuel oil during World War I.

In 1931, partly in response to the difficult economic conditions of the times, BP merged their marketing operations in the United Kingdom with those of Shell-Mex Ltd to create Shell-Mex and BP Ltd a company that continued to trade until the Shell and BP brands separated again in 1975.

There was growing dissent within Persia however at the imperialist and unfair position that APOC occupied. In 1932, the Shah terminated the APOC concession. The concession was resettled within a year, covering a reduced area with an increase in the Persian government's share of profits. Persia was renamed Iran in 1936 and APOC became AIOC, the Anglo-Iranian Oil Company.

A particular point of contention was the refusal of the Anglo-Iranian Oil company to allow an audit of the accounts to determine whether the Iranian government received the royalties it was due. Intransigence on the part of the Anglo-Iranian Oil Company led the nationalist government to escalate its demands, requiring an

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equal share in the oil revenues. The final crisis was precipitated when the oil company ceased operations in Iran rather than accepting the Iranian government's demands.

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The newly state-owned oil companies saw a dramatic drop in productivity and, consequently, exports; this resulted in the Abadan Crisis, a situation that was further aggravated by its export markets being closed. Even so royalties to the Iranian government were significantly higher than before nationalization. Without its own distribution network it was denied access to markets by an international blockade intended to coerce Mossadegh into re-privatization.

Following the turmoil of World War II, AIOC and the Iranian government resisted nationalist pressure to come to a renewed deal in 1949. In March 1951, the pro-western Prime Minister Ali Razmara was assassinated and in April, a bill was passed nationalizing the oil industry and the AIOC and the Shah were forced to leave the country.

The AIOC took its case against the nationalization to the International Court of Justice at The Hague, but lost the case. However the government of Britain, concerned about its interests in Iran, convinced the US that Iran was slowly coming under Soviet influence. This was the perfect strategy for the British since the US was in the middle of the Cold War. The British convinced the US to join them in overthrowing the democratically chosen Prime Minister, Mohammed Mossadeq, and to install pro-Western General Fazlollah Zahedi as prime minister of Iran. This overthrow was named **Operation Ajax**. Mohammed Mossadegh thought that nationalization was the only way to prevent British exploitation of Iran's oil wealth.

On August 19, 1953, the incumbent democratic Prime Minister, Mohammed Mossadeq, was forced from office and replaced by Zahedi and the Shah was recalled. The AIOC became The British Petroleum Company in 1954, and briefly resumed operations in Iran with a forty per cent share in a new international consortium. BP continued to operate in Iran until the Islamic Revolution. However, due to a large investment programme (funded by the World Bank) outside Iran, the company survived the loss of its Iranian interests at that time.

## (U) Cold War

For the U.S., an important factor to consider was Iran's border with the Soviet Union. A pro-American Iran under the Shah would give the U.S. a double strategic advantage in the ensuing Cold War, as a NATO alliance was already in effect with the government of Turkey, also bordering the USSR.

In addition, the appropriation of the companies resulted in Western allegations that Mossadegh was a Communist and suspicions that Iran was in danger of falling under the influences of the neighboring Soviet Union. But Mossadegh refused to back down under international pressure.

# (U) Planning

In planning the operation, the CIA organized a guerrilla force in case the communist Tudeh Party seized power as a result of the chaos created by Operation Ajax. According to formerly "Top Secret" documents released by the National Security Archive, Director of Central Intelligence Walter Bedell Smith reported that the CIA had reached an agreement with Qashqai tribal leaders in southern Iran to establish a clandestine safe haven from which U.S.-funded guerrillas and intelligence agents could operate.

The leader of Operation Ajax was Kermit Roosevelt, Jr., a senior CIA officer, and grandson of President Theodore Roosevelt. While formal leadership was vested in Kermit Roosevelt, the project was designed and executed by Donald Wilber, a career contract CIA agent and acclaimed author of books on Iran, Afghanistan Doc ID: 6636641 and Ceylon.

## (U) Outcome

As a condition of restoring the Anglo-Iranian Oil Company, the U.S. was able to dictate that the AIOC's oil monopoly should lapse. Five major U.S. oil companies, plus Royal Dutch Shell and French Compagnie Française des Pétroles were given licences to operate in the country alongside AIOC.

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Operation Ajax was the first time the Central Intelligence Agency was involved in a plot to overthrow a democratically-elected government. The success of this operation, and its relatively low cost, encouraged the CIA to successfully carry out a similar operation in Guatemala a year later.

# (U) Repercussions

Widespread dissatisfaction with the regime of the reinstalled Shah led to the 1979 Islamic Revolution in Iran and the occupation of the U.S. embassy. The role that the U.S. embassy had played in the 1953 coup led the revolutionary guards to suspect that it might be used to play a similar role in suppressing the revolution.

#### See also

- Asadollah Rashidian
- Covert Action in Iran 1951-54

#### Footnotes

- 1. [http://www.bbc.co.uk/radio4/history/document/document\_20050822.shtml A Very British Coup] (in English) (radio show). *Document*: British Broadcasting Corporation (2005). Retrieved on 2006-06-14.
- Kinzer, Stephen (2003), "All the Shah's Men: An American Coup and the Roots of Middle East Terror (U) \_\_\_\_\_\_\_, Journal of the American Intelligence Professional 48: 258, \_\_\_\_\_\_\_. Retrieved on 4 February 2007
- 3. CIA and the overthrow of Mossadegh The CIA and the Prime Minister

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- Kinzer, Stephen (2003). All the Shah's Men: An American Coup and the Roots of Middle East Terror. John Wiley & Sons. ISBN 0-471-26517-9.
- Kapuściński, Ryszard (1982). Shah of Shahs. Vintage. ISBN 0-679-73801-0.

#### **External links**

- http://www.ardeshirzahedi.org/cia-iran.pdf The CIA and Iran: What Really Happened?—alternate view by Ardeshir Zahedi
- http://www.democracynow.org/article.pl?sid=03/08/25/1534210&mode=thread&tid=47 50 Years Later—a look back at the 1953 U.S.-backed coup in Iran

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Doc ID: 6636641 http://www.nytimes.com/library/world/mideast/041600iran-cia-index	x.html The C.I.A. in Iran—New York
Times report based on uncovered CIA documents	
http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB28/ The Secret C	CIA History of the Iran Coup,
1953—Provided by the National Security Archive	
http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB126/index.htm N	Johammad Mosaddeq and the 1953
Coup in Iran-new book from the National Security Archive reexam	nines the coup
http://www.democracynow.org/article.pl?sid=04/03/05/1542249&md	ode=thread&tid=25 How to
Overthrow a Government-interview with Steven Kinzer, author of	All the Shah's Men: An American
Coup and the Roots of Middle East Terror	
http://www.onpointradio.org/shows/2003/07/20030709_a_main.asp Steven Kinzer	All The Shah's Men-interview with
<ul> <li>Review of All the Shah's Men</li> </ul>	by David S.
Robarge	
<ul> <li>http://www.findarticles.com/p/articles/mi_m1282/is_17_55/ai_10723</li> </ul>	23571 A Very Elegant
Coup—critique of All the Shah's Men	
<ul> <li>http://www.guardian.co.uk/comment/story/0,3604,1021997,00.html</li> </ul>	The spectre of Operation Ajax by
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<ul> <li>Intelligence Community History Blog</li> </ul>	(b) (3) - P.L. 86-3
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NATIONAL SECURITY AGENCY FORT GEORGE G. MEADE, MARYLAND 20755-6000

> FOIA Case: 101214A 18 September 2018

JOHN GREENEWALD 27305 W LIVE OAK ROAD SUITE 1203 CASTAIC CA 91384

Dear Mr. Greenewald:

This responds to your Freedom of Information Act (FOIA) request of 28 March 2017 for Intellipedia records on Operation Ajax. As stated in our initial response to you, dated 3 April 2017, your request was assigned Case Number 101214. For purposes of this request and based on the information you provided in your letter, you are considered an "all other" requester. As such, you are allowed 2 hours of search and the duplication of 100 pages at no cost. There are no assessable fees for this request. Your request has been processed under the provisions of the FOIA.

For your information, NSA provides a service of common concern for the Intelligence Community (IC) by serving as the executive agent for Intelink. As such, NSA provides technical services that enable users to access and share information with peers and stakeholders across the IC and DoD. Intellipedia pages are living documents that may be originated by any user organization, and any user organization may contribute to or edit pages after their origination. Intellipedia pages should not be considered the final, coordinated position of the IC on any particular subject. The views and opinions of authors do not necessarily state or reflect those of the U.S. Government.

We conducted a search across the three levels of Intellipedia and located documents that are responsive to your request. The documents are enclosed. Certain information, however, has been deleted from the documents.

This Agency is authorized by statute to protect certain information concerning its activities, in this case, internal URLs. Such information is exempt from disclosure pursuant to the third exemption of the FOIA, which provides for the withholding of information specifically protected from disclosure by statute. The specific statute applicable in this case is Section 6, Public Law 86-36 (50 U.S. Code 3605). We have determined that such information exists in this record, and we have excised it accordingly.

In addition, personal information regarding individuals has been deleted from the enclosure in accordance with 5 U.S.C. 552 (b)(6). This exemption protects from disclosure information that would constitute a clearly unwarranted invasion of

personal privacy. In balancing the public interest for the information you requested against the privacy interests involved, we have determined that the privacy interests sufficiently satisfy the requirements for the application of the (b)(6) exemption.

Since these deletions may be construed as a partial denial of your request, you are hereby advised of this Agency's appeal procedures. If you decide to appeal, you should do so in the manner outlined below.

The appeal must be in sent via U.S. postal mail, fax, or electronic delivery (email) and addressed to:

> NSA FOIA/PA Appeal Authority (P132) National Security Agency 9800 Savage Road STE 6932 Fort George G. Meade, MD 20755-6932

The facsimile number is (443)479-3612; the email address to submit an appeal is FOIARSC@nsa.gov.

- It must be postmarked or delivered electronically no later than 90 calendar days from the date of this letter. Decisions appealed after 90 days will not be addressed.
- Please include the case number provided above.
- Please describe with sufficient detail why you believe the denial of requested information was unwarranted.
- NSA will endeavor to respond within 20 working days of receiving your appeal, absent any unusual circumstances.

For further assistance or to discuss your request, you may contact our FOIA Public Liaison at foialo@nsa.gov. You may also contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. OGIS contact information is Office of Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, MD 20740-6001; e-mail: ogis@nara.gov; main: 202-741-5770; toll free: 1-877-684-6448; or fax: 202-741-5769.

Sincerely, Paul M

JOHN R. CHAPMAN Chief, FOIA/PA Office NSA Initial Denial Authority

Encls: a/s