

AN ANALYSIS OF THE RELATIONS BETWEEN IRAN AND THE USA
DURING THE PAHLAVI ERA BY USE OF ALLIANCE THEORIES

A Master's Thesis
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THEORIES

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ABSTRACT

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This thesis aims to elaborate on the US-Iranian relations during Pahlavi era within the framework of alliance theories. By discussing the existing literature on alliance theories, it tries to bring comprehensive understanding of the alliance between Iran and the USA. In order to propound external and internal reasons for Iran to seek alliance with the USA, Iranian history from World War I to 1979 Revolution is examined. In connection with Iranian history, the relation between Iran and the USA which dates back to early 19th century is surveyed with economic, military, and diplomatic perspectives by focusing on Pahlavi era. It endeavors to illustrate on external threats as well as the internal threats that Iran faced during Pahlavi era in order to grip the underlying causes of the “devoted”

alliance between Iran and the USA. This portrayal is done on the basis of omnibalancing theory.

Keywords: alliance theories, Iran, Pahlavi era, omnibalancing theory, United States

ÖZET

PEHLEVİ DÖNEMİ İRAN VE ABD İLİŞKİLERİNİN İTTİFAK TEORİLERİ KULLANIMIYLA ANALİZİ

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Bu tez ittifak teorileri çerçevesinde Pehlevi dönemi ABD-İran ilişkilerini incelemeyi amaçlamaktadır. İttifak teorileri üzerine var olan literatürü tartışarak İran ve ABD arasındaki ittifaka kapsamlı bir bakış açısı getirmeye çalışmaktadır. İran'ın ABD ile ittifak oluşturmasının iç ve dış sebeplerini ortaya koymak için 1. Dünya Savaşı'ndan 1979 Devrimi'ne kadarki İran tarihi incelenmektedir. İran tarihiyle bağlantılı olarak, 19. yüzyılın başlarına dayanan İran-ABD ilişkileri Pehlevi dönemine odaklanılarak ekonomik, askeri ve diplomatik perspektifle anlatılmaktadır. Bu tez İran ve ABD arasındaki sadık ittifakın temelindeki sebepleri kavramak için Pehlevi döneminde İran'ın karşı karşıya kaldığı dış tehditlerin yanı sıra iç tehditleri de tanımlamaktadır. Bu tanımlamayı da her yerde dengeleme (omnibalancing) teorisine dayanarak yapar.

Anahtar kelimeler: ABD, her yerde dengeleme (omnibalancing), İran, ittifak teorileri, Pehlevi dönemi

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CHAPTER I

INTRODUCTION

Iran has a strategic position in the Middle East due to its geographical position, rich natural resources like oil and natural gas, and potential role for regional leadership. History also acknowledges Iran's importance as it was occupied by the Great Powers several times; it stayed as an area of rivalry both for Britain, Russia, and the United States for a long time. It is even claimed by several scholars that Iranian Azerbaijan crisis in 1946 that will be surveyed in detail in the upcoming chapters resembles the beginning of the Cold War. Therefore, Iran is one of the important study areas in international relations with both its history and its present policies.

Iran's position in the Middle East and its dealings with the United States in today's world paved the way for the research on this thesis, because Iran's nuclear program has been on the agenda of world politics for some time. It seems to many people that Iran and the USA were always at odds, but that was not actually the case until the 1979 Revolution. Due to the possibility of achieving a successful negotiation on the

nuclear issue with the popular P5+1 Negotiations¹, it seems important to examine the only period that the USA and Iran got along with each other. Actually it was beyond getting along, it was a devoted alliance between the two parties and at the time, one American diplomat even defined Iran as the most devoted ally of the United States in the Middle East. Hence, it is important to recognize the factors that enabled them to form an alliance and identify each other as prominent allies. It is the aim of the thesis to provide the readers with an understanding of the alliance between Iran and the USA during the Pahlavi era by the use of alliance theories.

Before explaining the content of the chapters, methodology of the thesis is needed to be clarified. In order to comprehend the existing literature on the issue, this thesis will scan the primary and secondary sources to grasp the present discussions within the literature. As one primary source, Mohammad Reza Shah's memoirs will be used to get firsthand information on Iran during the Pahlavi era. Besides, reports of the United States Department of Defense, Department of State, and UN Treaty Series will be used to evaluate US military sales to Iran, doctrines of US presidents, and the oil agreement on consortium in Iran. Methodologically, this thesis will also benefit from historical interpretation methods and the case study to provide extensive understanding on the alliance between Iran and the United States. Historical interpretation is needed to understand the dynamics of the Pahlavi era. Otherwise, it will only describe the events of history. Case study is important for the conduct of this study in order to test alliance theories.

¹ P5+1 Negotiations were initiated in 2006 by China, Russia, and the United States in order to prevent Iran from obtaining nuclear weapons. P5+1 includes 5 permanent members of the Security Council (China, France, Russia, United Kingdom, and United States) plus Germany. On November 2013, interim agreement between the parties was concluded and the negotiations on the issue still continue today.

In order to provide that analysis, firstly the literature on alliance theories will be provided in order to have a systematic view on alliance. Theories enable scholars of international relations to have a generalized knowledge about the subject and prompt them to apply them to test against specific subjects. Thereby, with the help of theories, a better viewpoint on the events of international politics might be gained. For the purpose of constructing a general frame, the literature on alliance theories will be examined. Chapter Two will start with the definition of alliance, and it will continue to explain the reasons which prompt alliances, types, functions, correlation between war and alliances, and alliances in different international systems.

Since the literature on alliance theories is generally debated on realist and neorealist understanding, these will be also analyzed in Chapter Two of this thesis. However, in order to combine the realist theories with others, different opinions on alliance will be examined. This thesis specifically will use Stephen Walt's definition of alliance and apply Steven David's omnibalancing² theory to the case of Iranian-American alliance.

The third chapter will focus on the history of Iran in order to grasp the conjecture of the time for Iran. History of Iran is important to understand the internal and external dynamics that affected Iran and its decision to ally with the United States. It will start with Reza Shah's rise to power which marched in 1925 since it was the beginning of the Pahlavi era and it will end with the 1979 Revolution since it was the end of the alliance between Iran and the United States. In order to keep the chapter

² It means that in the formation of alliance, external factors are not the only determinants. In case of smaller states, internal threats are more prominent to keep in mind. Thus, both internal threats and external threats play a role in the formation of alliances if one of the parties in the alliance is a smaller state.

comprehensive, the study will only focus on important events that are mainly considered as turning points.

Specifically it will start with the coup d'état that brought Reza Shah to power in 1921, and then Reza Shah's period will be surveyed in detail since it was the time that "Persia" became "Iran". Then the Second World War, occupation of Iran, Reza Shah's abdication, and his son Mohammad Reza Pahlavi's rise to power will be discussed. The chapter will continue with the 1953 coup, the White Revolution, and other external dynamics to enable the readers to follow the conjecture of Iran. The chapter will end with the 1979 Revolution.

The last chapter will be centered specifically around the relations between the USA and Iran by using alliance theories in order to comprehend the alliance system between these two states. Therefore, firstly alliance theory that will be utilized for the explanation of the relations between them will be discussed. Then relations between Iran and the USA will be related in chronological order. By presenting the historical record, the proposed theory will be applied to the specific case of Iranian-American alliance.

In terms of the relations between Iran and the USA, the chapter will firstly endeavor to provide the early period that started with missionary activities. Then it will focus on relations based on advisors, military officers, and individuals. With the start of the Second World War and America's conveyance of troops to Iran in order to help Britain to maintain the supply route to the Soviet Union, relations between Iran and the USA moved to another dimension. Therefore, after World War II, the chapter

focuses on the concerns and interests of both countries on the basis of the alliance. It analyzes the period of Mosaddeq era, Baghdad Pact, establishment of SAVAK, doctrines of the presidents of USA with regard to Iran, and the dynamics between these two countries for the formation of alliance.

This contention of alliance is supported by the multi-lateral alliance formation based on the “northern tier” concept forwarded by US Secretary of State John Foster Dulles, upon failure of the Baghdad Pact with the aftermath of the coup d’état of 1958 in Iraq. Multilateralism in this context was a reformation of Iran-Turkey-Pakistan alliance under the Central Treaty Organization (CENTO). Not very functional as an institution, the significance of CENTO lies in the fact that it paved the legal way to forming bi-lateral treaties with the “northern tier” countries over security. CENTO turned into the Regional Cooperation for Development (RCD) in 1964 and remained as a discussion forum.

Therefore, Iran-USA alliance was two tiered: institutional as well as bilateral. It is the bilateral alliance on which this thesis will focus. Freed from multi-lateral institutional limitations, bi-lateral relations could be utilized against internal threats. In that sense, Iran is a perfect case study as well as one which supports the omnibalancing theory.

In conclusion, this thesis aims to explain the relations between Iran and the USA during the Pahlavi era by using Steven David’s omnibalancing theory that takes into consideration both external and internal threats to security. Therefore, it can be observed that internal dynamics’ impact on Iran as well as external ones determined

the direction of the alliance. This thesis does not disregard the importance of external threats, but it argues that as David asserted, internal threats also occupy an important place in many states' handling of alliance formation as in Iran's case. Moreover, having encountered George Kennan's depiction of "real" alliances as opposed to "implied" alliances inspires further research into the nature of alliance. This issue in international relations is plausibly not a given nor a static state of affairs, but is loaded with nuance, dosage as well as being limited to time-lines.

CHAPTER II

A. ALLIANCE THEORIES

2.1. Definition of alliance

Alliances are one of the pivotal subjects of international relations. Thus it is generally impossible “to speak of international relations without referring to alliances; the two often merge in all but name. For the same reason, it has always been difficult to say much that is peculiar to alliances on the plane of general analysis.” (Liska in Snyder, 1991: 121). It is also argued that “international politics, indeed all politics, involves an interplay of conflict and cooperation.” (Synder, 1997: 1) Therefore many scholars in the field of international politics study the concepts of conflict and cooperation. Concerning the historical background of these studies, it is seen that there are theories on “deterrence, crises, and war” since the beginning of the studies of international relations, but cooperation has become very popular especially after the foundation of the European Union. However, alliance theory has not been studied enough (Synder, 1990: 103; Synder, 1997: 1) despite the recognition of its extreme importance for international politics as illustrated by Liska. With NATO, the studies on alliance theories started to increase, however there

is no precise definition and categorization of alliance when these studies are analyzed.

It can be observed that there are three separate areas of studies of alliance theories: “the relationship between alliance formation and the occurrence of war, the motivations for the formation of alliances, and the reliability of alliances” (Smith, 1995: 405). As observed from the literature, there are also illustrations on the functions of alliances, alliance systems in different international systems and different theoretical propositions for the alliance theories to be applied. In order to comply with the literature, all aspects of alliances will be illustrated in this thesis. Starting with the definition of alliance, mostly focusing on the motivations for formation of alliances, literature on the alliance theories will be surveyed.

Alliances may differ according to historical contexts. Their differences might be determined by the international system or by conjuncture. In written history, Thucydides is recorded as the first one who discussed alliance regarding the Peloponnesian War (Salmon, 2006: 815). Historically it can be argued that alliances were generally formed in order to generate sides for fighting the war. However, especially after World War II the world witnessed the formation of many international organizations and alliances for the reason of actually avoiding war.

There is the problem of categorizing alliances due to the presence of many different forms of alliances, taking different names as “alignments, coalitions, pacts, blocs, ententes, collective defense and collective security, neutrality and non-aggression pacts, international regimes, universal and regional charters or covenants, unilateral guarantees, general commitments or international rules” (Salmon, 2006: 816). There

is also the problem of vagueness in terms of tacit alliances. Not every country pursuing common policies may get involved in explicit alliance (Morgenthau in Walfers, 1976: 186). These states' policies are generally embedded in each other's, but there will not be any announcement of alliance. Salmon gives the example of USA and UK relationship that does not need to be explained to other nations of the world because their alignment is obvious.

In terms of the definition of alliance, different viewpoints of scholars on alliance theories create problems for the students of international relations. Some define it in terms of international organizations; others define it in relation with security cooperation or economic cooperation. Due to all these differentiations among scholars it is very hard to determine the precise definition of alliance. Therefore, various definitions of alliance by various scholars will be given first and then for the purpose of the thesis, a combination of a couple of definitions will be utilized.

As it is stated above, there are various definitions of alliances and many of them are dominated by realist and neorealist theories. Stephen Walt defines alliance as a “formal (or informal) commitment for security cooperation between two or more states, intended to augment each member's power, security, and/or influence” (Walt, 2009: 86). Since realist theories take security as the most important goal of a state they focus on the alliances based on security interests as it is also observed in the definition of Stephen Walt. Synder formalizes alliance as “formal associations of states for the use (or nonuse) of military force, in specified circumstances, against states outside their own membership” (Synder, 1997: 4). Synder again sets up his definition with regard to military relationships. There are many other scholars who

focus on the issue in terms of military and security in international relations literature.

There are some other scholars who look at alliance in terms of ideology and common values. According to these scholars, countries with similar ideologies are more likely to ally. They provide the examples of European countries that set up the European Union based on common values and ideologies. However, defining alliance with regard to ideology is not very welcomed by the realist scholars since there are many examples of alliances that do not share the same ideology as state policy. Liska argues that fundamental utility of ideology in alliance formation is the “rationalization of a state’s alliance choices” and justification of the alliance by “translating the alliance from simply being one of necessity into a social institution” (Liska in Miglietta, 2002: 4). However, many scholars oppose the idea that a state allies with the state that has a similar ideology (Miglietta, 2002: 4; Walt, 2001: 5-6) since examples mostly seen in American foreign policy concerning Middle East indicate the opposite. Walt proposes that even if ideology leads to form alliance, it is more likely that states will have conflict in ideological alliances. This is because “obeying a single authoritative leadership” within these alliances create problems of autonomy (Walt, 1985: 21). There is also the risk of existence of rival ideologies opposing the ideology of alliance. Communist International may be given as an example for this because there occurred different interpretations of communism that were challenging other interpretations during the Cold War (Walt, 1985: 21).

Salmon differently argues that alliances are formed with idealistic and realist motivations. States can come together in order to defend “shared values and ideas”

(2006: 817-818). However, Morgenthau argues that alliances that are formed on the basis of ideologies are “stillborn” because these alliances do not cover material interests of states. Therefore, the policies of these alliances may become misleading due to their fallacious nature in terms of their supposed solidarity (Morgenthau in Walfers, 1976: 189). On the other hand, states may form alliances by basically evaluating costs and benefits (Salmon, 2006: 818). These alliances, if combined with political solidarity become substantial in international politics.

Although there are different definitions and opinions for alliance- as it is stated above- realist definition of alliance will be used for the purpose of the thesis. Especially, Walt’s definition and Miglietta’s factors’ of alliance will be operationalized. Therefore, in this thesis alliance is defined as “formal (or informal) commitment for security cooperation between two or more states, intended to augment each member’s power, security, and/or influence” (Walt, 2009: 86). Also, there are some indications of alliance that help scholars to observe whether it is an alliance or not. First of all, there should be “cooperative relationship” between at least two countries. There should be a common threat that enforces these countries to ally with each other. These countries that are allied against mutual threat should act together so as to protect their national interests (Miglietta, 2002: 1).

Other than alliance, there is also a definition of alignment that is used interchangeably with alliance within international relations literature. For instance, Stephen Walt uses alignment within parentheses while giving the definition of alliance in his writings (Walt, 2009: 86). However, Synder differentiates them from each other by stating that these are used interchangeably by some scholars. It is

claimed that alignment is a broader term than alliance and is defined as “expectations of states about whether they will be supported or opposed by other states in future interactions” (Synder, 1997: 6). According to Synder, the definition of alignment contains not only possible alliances but also possible opponents. For a state, to perceive some states as opponents and some states as friends may stem from different factors such as “capabilities”, “interests”, or “observed behavior of other states” (Synder, 1997: 6). Depending on the context of the time the expectations of states regarding alignment may change due to changing dynamics. Since “power relations” and interests of states change and also the priorities of states alter due to internal and external factors; alignments are bound to change. It is understood from the definition of alignment that “alliances are a subset of alignments” (Synder, 1997: 8).

2.2. Why States Choose to Ally?

After defining what alliance means, it is also extremely important to analyze the reasons behind alliances. There are many theories that attempt to explain the causes for states to join alliances and again these are under the domination of realist and neo-realist traditions. According to these schools, there is anarchy in the international system and that leads states to form alliances to preserve their national interests against external threats. Hence, alliances are more likely to occur when there is external threat.

There are theoretical arguments in order to conceptualize the reasons for states to ally with other states. Generally, formation of alliance is explained by using the balance

of power theory. States that are weaker in comparison to strong states come together to form an alliance against a strong state. According to the Balance of Power theory, distribution of power is more important in case of forming alliances. These alliances are against “imbalances of power” because weaker states seek alliance after the presence of stronger state in the international system. As opposed to other factors, geographical proximity affects states’ position towards alliances. “Because the ability to project power declines with distance, states that are nearby pose a greater threat than those that are far away.” (Walt, 1985: 10) Walt argues that states that are close to strong states with offensive military capabilities are more prone to form alliance (Walt, 2001: 5). In terms of the relation between power projection and alliances, Morgenthau claims that:

Alliances are necessary function of the balance of power operating within a multiple state system. Nations A and B, competing with each other, have three choices in order to maintain and improve their relative power positions. They can increase their own power, they can add to their own power the power of other nations, or they can withhold the power of other nations from the adversary. When they make the first choice, they embark upon an armaments race. When they choose the second and third alternatives, they pursue a policy of alliances (Morgenthau in Wolfers, 1976: 185).

It is also essential to define bandwagoning and balancing so as to prescribe how states reply to external threat. According to Walt, states have two options: they either bandwagon or they balance against external threat (1985: 4; 1988: 277).

Bandwagoning is firstly proposed by Kenneth Waltz and defined as joining the stronger side as opposed to balancing which means to forming alliance with weaker ones (Schweller, 1994: 80). Walt defines balancing as forming alliance with weaker states against external threat and this version is mostly observed in world politics. Since balancing provides states with freedom of action and avoid the state to be

subordinate to stronger state, states choose to ally with weaker states to balance the stronger state (Walt, 1985: 15). On the other hand, bandwagoning is defined as the opposite of balancing. Hence, it means joining the stronger side; therefore weaker state becomes “subordinate” in the alliance. It can be inferred from the definition that in that alliance there is an asymmetrical relationship due to their different level of power which is mostly referred to as distribution of power in realist paradigm. Bandwagoning may create insecurity because if it is on the rise, then it means that “aggression is rewarded” (Walt, 1985: 4).

Critical to Walt’s definition of bandwagoning, Schweller proposes a different formulation and definition. It is argued in his paper that there are two motivations behind bandwagoning according to realist and neorealist scholars. The first one is that through alliance a state may appease the threatening state and secondly the weaker state can benefit from the acquisitions of the stronger state (1994: 81).

However, others criticize this assumption because it does not consider the unsatisfied states of the system but it only takes into account “status-quo state” (Schweller, 1994: 85). However, within the international system there are revisionist states that want to increase their power. Hence they will not balance the threatening state. On the contrary, they will bandwagon so as to gain more by revising the system.

Rewards may also be used by stronger states in order to convince other states to ally with themselves. There are many examples in history like Napoleon Bonaparte’s promise of territorial rewards to convince the weaker states to take his side (Schweller, 1994: 90).

Schweller talks about four different types of bandwagoning: jackal bandwagoning, piling on, wave of the future, domino effect. Jackal bandwagoning occurs when states want to both avoid attacks of the revisionist state and take its share from the lion, meaning the stronger state. Piling on is seen when the victor of the war is definite. The end of World War II can be given as an example since countries declared war against Axis Powers in order to be involved in the United Nations. States may bandwagon when they perceive stronger states as the representatives of the wave of future. This was observed during the Cold War because many developing states considered communism as the wave of the future. Domino effect occurs when the regional linkages are tight and bandwagoning of one state prompts other states to bandwagon with the same state.

Walt proposes to reevaluate the Balance of Power theory and comes up with Balance of Threat theory (Walt, 1988: 281). According to Walt, it has more explanatory power for understanding alliance formation because the Balance of Power theory does not proclaim why during the Cold War period states allied with the United States or Soviet Russia if they are more prone to ally with weaker ones against stronger ones. Therefore, he proposes Balance of Threat theory whose central concept is “distribution of threats” (1988: 281) and concepts of bandwagoning and balancing so as to express the underlying reasons for states in case of choosing alliance. Rather than only considering distribution of power, states will also consider “geographic proximity, offensive capabilities, and perceived intentions” (Walt, 2001: 4-5). Therefore, according to Walt, Balance of Threat theory provides a dynamic explanation for alliance formation.

Schweller, on the other hand, proposes a new theory called balance of interest by criticizing Walt's balance of threat theory. Balance of interest theory means that "at the unit level, it refers to the costs of a state is willing to pay to defend its values relative to the costs it is willing to pay to extend its values. At the systemic level, it refers to the relative strengths of status quo and revisionist states." (1994: 99) At the unit level there are states categorized as lions, lambs, jackals, and wolves. Lions try to preserve their possessions, thus they act as "security-maximizers" (Schweller, 1994: 101). Lions resemble the great powers in the international system and they are the ones that aim to maintain the status quo. Lambs are the weak states that do not want to live through adventure. Therefore, these states choose to bandwagon in order to stay away from threatening states. They may also consider not aligning with other states and distance themselves from the threat of stronger states. Jackals are the ones that value their possessions but at the same time they are eager to take risks to widen their possessions. Wolves are defined as predatory states which value what they envy. Therefore, these states can take risks to achieve what they want. "Seeking to conquer the world or a large portion of it, wolves do not balance or bandwagon; they are the bandwagon." (Schweller, 1994: 104)

Other than Schweller, there are also many critics directed to Walt's theory of Balance of Threat among scholars of international relations. Steven David in his book *Choosing Sides* argues that since realism is a state centric theory, it ignores the "political environment" of Third World countries that have to deal with domestic threats as well. Therefore, he illustrates why the alliance system of Third World countries needs to be studied. David argues that scholars should focus on Third World countries' foreign policy of alliance in order to analyze American foreign

policy especially during the Cold War (1991: 1). It is explained that Third World alignment system is worth to explore because it enlightens international politics. David asserts that there are three theoretical arguments that may explain the alliance system of Third World countries: balance of power, bandwagoning, and ideological affinity (1991: 3). He talks about the theories and provides examples in order to show that these theories are not useful to explain Third World foreign policies. Hence, he proposes an alternative theory: omnibalancing. It means that Third World countries' alliance politics comes from "rational calculation" to find the external power which may keep them in their current position.

First of all, he states different definitions of the Third World country as a concept and he then articulates his concept based on the United Nations definition. It includes all the countries in the world except the USA, Canada, Japan, then Soviet Union, European countries, People's Republic of China, South Africa, Australia, New Zealand (David, 1991: 11). Since countries that are left as a Third World country differ from each other distinctively, it is hard to fit them into the existing theories of alliance. However, there are also some similarities that enable David to demonstrate the theory of omnibalancing. Some similarities explain the common situation in these countries. This is the importance of internal threats rather than external threats. It means that internal threats prevail over external threats and it is because of some features that these countries have. First of all, these countries are generally newly created after the colonization period therefore they are "artificial states" according to David. Besides due to their artificiality, groups that govern the country look for their own interests. Since these states are governed by particular groups within society, they are in need of legitimacy, but they do not have it. They usually stay in power by

using force, hence they are authoritarian governments. Since these countries are mostly ruled by authoritarian governments, foreign policy decisions are also made by those groups of people ruling the country. It is also important to note that internal threats that the governing class faces in their countries are generally supported by external powers. As a result, there is an interrelationship between internal and external threats to these countries that enforces them to choose their alliances very carefully with regard to that interrelationship.

When it comes to explain the basics of alliance in Third World countries, David proposes omnibalancing. Even though balance of power theory has an important effect on the explanation of the alliance systematic in international politics, it does not really fit the characteristics of Third World countries. At the heart of politics of Third World countries, there is domestic politics that restrain them to look for alliances that will keep them in power. Theory of omnibalancing stems from the fact that governments in Third World countries need to deal with internal and external threats therefore they try to guarantee their political survival. Although omnibalancing is not totally different from realist theories like balance of power, it differs in terms of the inclusion of domestic politics to the explanation of foreign policy (David, 1991: 237).

There are other scholars like Barnett and Levy who focus on the domestic aspect of alliance. For the sake of explanation, they use Egypt as an example in their article. They argue that the literature on alliance generally concentrates on great power alliances. That tendency prevents scholars from looking at “domestic constraints” on countries in case of alliance forming. That situation is generally embedded with

Third World countries and they are the prominent examples of domestic politics' importance for the formation of alliance. It is argued that Third World countries seek alliance due to their lack of resources to provide a "military establishment" so as to deal with security threat. Also, spending on military may lessen the resources that will be spared for economic development and that leads them to look for external alliance. Thirdly, spending on military may retain them to provide welfare to their supporting group within country. Therefore, it is stated that "the concern for political stability always prevails over a concern for economic development" in Third World countries (Rothstein in Barnett and Levy, 1991: 376). Even though these constraints on Third World countries in terms of managing spending for the sake of state security are recognized by several scholars, "mobilization of manpower" and its effect on fighting against threats are underestimated. "These economic and political constraints on the state's mobilization of societal resources can be a powerful incentive to make alignment concessions to others in return for military support to deal with external threats to security and for economic support to deal with threats to the domestic political economy." (Barnett and Levy, 1991: 378) Lastly, if the internal threat within the state is more ostensible than the external one, those states may slant to internal mobilization of their country. Therefore, Third World countries use external alliances to provide internal security. By this way, they might also spare the resources of state for the protection of their internal security.

Ayoob on the other hand, defines security as the "vulnerability" that endangers the political survival of these Third World countries. There are three major factors in the Western security concept: "its external orientation, its strong linkage with systemic security, and its binding ties with the security of the two major alliance bloc"

(Ayoob, 1991: 263). However, it is not ideal to adopt these features to Third World security due to their absence. First of all, insecurity comes from the inside rather than outside in Third World countries. It does not indicate that external threat does not exist in these countries, but internal threats are more prominent. It is claimed that interrelation between “alliance security” and “state security” is obvious in Western countries but Third World countries’ alliances are either temporary or unsteady (Ayoob, 1991: 264). Therefore, he borrows Buzan’s distinction of “strong” and “weak” states and talks about the necessity of state building in case of Third World countries. Time is an important variable that improves “the intangible ingredients of security, including the identification of the people with the state (legitimacy) and of people with each other (integration)” (Ayoob, 1991: 267).

2.3. Types of alliances

Besides defining the alliance and analyzing the reasons for states to ally, one should also focus on the different types of alliances surveyed by various scholars. Walt argues that there are several types of alliances in terms of different categorizations. For example, alliances can be offensive which means that they are formed to attack a third party or they can be defensive which means that they are formed to protect their national interest against a third party attack. They can be also symmetrical or asymmetrical based on their capacities and contribution to the alliance. Since the states within the alliance might have different capabilities and instruments of power, and their level of power might also differ from each other alliances are categorized as symmetrical or asymmetrical. In terms of political ideologies and regime types states

participating in alliance may be totally different from each other or it may be the opposite like the Democratic Peace Theory proposes. Alliances might also differ in terms of their “level of institutionalization”. There is the example of NATO and EU that resemble important alliances that achieve higher levels of institutionalization. However, some of the alliances are just temporary since they form it in order to achieve a particular goal in a particular time period. Alliances are also differentiated in terms of numbers of states that participate in them. If there are two states forming the alliance, then it is a bilateral alliance however if it is formed by more than two states, it is a multilateral alliance (Eligür, 1999: 2).

Snyder also makes his own categorization of alliances. First of all, he starts with the size of alliance. He clarifies that most of the alliances in history are formed by two states; but there are also examples of multilateral alliances. NATO is one of them and in that kind of alliance there is a specific purpose. If the purpose is achieved or lost its importance the alliance disintegrates like the Coalition of the Willing (Snyder, 1997: 12). In case of these bilateral or multilateral alliances, reciprocal states fulfill their obligations to the alliance. However, reciprocity might not be an issue in every alliance like in the examples of Truman or Eisenhower Doctrines.

As Walt categorizes alliances as symmetrical and asymmetrical Snyder calls the situation differently and labels them as equal or unequal alliances. As it is stated above, in that case states might have different obligations regarding alliance and it might be under the domination of the strong state. There are some cases that strong states might use alliances as a tool to control the weaker states in order to force them to act the way they like.

Another categorization is based upon the purpose of the alliance. Again, similar to Walt, he describes offensive and defensive alliances with reference to the German-Italian pact in 1936. Different from Walt, Synder claims that countries might combine offensive and defensive aims in alliances since they are in need for providing security. The author juxtaposes several motives for defensive alliances. The main motive is to provide security against external threat. The second one is the motivation to guarantee internal security and this is generally because of the need of legitimization of the government. Another motivation for the states in the alliance is to control other states within the alliance. Finally, alliances may also function as the tool of “imperial domination” (Synder, 1997: 13).

There are different types of agreements that are signed to establish alliances between states. The first one is the neutrality agreement in that, states agree not to join an attack against the other side and they might be offensive or defensive depending on the purpose of the participating states. The 1939 German-Soviet agreement during the Inter-war period might be an example. The second one is nonaggression treaty that enforces states not to attack each other. Weak or strong states might have different aims in signing a nonaggression treaty for offensive or defensive purposes. Besides mutual defense, signing an alliance means that in time of attack, the partner of the alliance will not attack, or participate in an attack or will aid the attacked partner. Finally there is holding the ring agreement “in which the members agreed to be neutral if the member were attacked by only one other state but to come to its defense if it were attacked by more than one opponent” (Synder, 1997: 14).

2.4. Functions of Alliance

So far, alliance's definition, reasons behind the formation of alliance, and types of alliances are examined. Scholars of international relations also wonder about the functions of the alliances. This is important to analyze because if its functions are not sufficient to maintain the alliance, then there is no purpose to form it. According to realists and neo-realists, states join alliances if the benefits are greater than the costs. Synder argues that benefits are simply associated with "increased security" gained from the alliance, and costs are seen as the "autonomy sacrificed" due to the alliance (1997: 43). Based on the definition Synder makes, benefits are enlisted as follows (Synder, 1997: 43-44):

1. Enhanced deterrence of attack on oneself
2. Enhanced capability for defense against attack on oneself

Defense enhancement translates into some combination of the following:

- a) Greater probability of aid from the allied state
 - b) Greater probability of successful defense when the ally's help is forthcoming
3. Enhanced deterrence of attack on the ally
 4. Preclusion of alliance or alignment between the partner and the opponent. Alliance precludes the partner from allying elsewhere not only because it binds the partner to the self but also because it satisfies the partner's security needs, thus reducing its motivation to look elsewhere.
 5. Elimination of the possibility of attack by the allied state.
 6. Increased control or influence over the allied state

Walt also discusses some practical benefits of alliances in his articles. It is argued that since there is anarchy in the international system, there is no particular supreme authority to protect states from each other. Therefore, states are accustomed to face external threats that threaten their national security. In order to eliminate the threats they face, they either form alliances or join the alliances already existing within the international system. Hence, the function of the alliance is to preserve national

security against the threats coming from outside the borders of the country (Walt, 2001: 4). Alliances also guarantee “respective interests” of the member countries if attack exists (Walt, 1997: 157).

Synder also enlists the costs of alliances as follows:

1. The risk of having to come to the aid of the ally, when one would have preferred not to do so in the absence of commitment. The risk subsumes not only the simple failure of deterrence but also the possible provocation of an opponent to attack.
2. The risk of entrapment in war by the ally because the ally, more confident of one’s support, becomes reckless, intransigent, or aggressive in disputes with its opponent.
3. The risk of a counteralliance.
4. Foreclosure of alternative alliance options. This is the cost side of the preclusive benefit: alliance forecloses alliance alternatives for both (all) members; eliminating the partner’s options is a benefit, but eliminating one’s own is a cost.
5. General constraints on freedom of action entailed in the need to coordinate policy with the ally and perhaps to modify one’s preferred policy to suit the ally’s preferences (Synder, 1997: 44).

2.5. Wars and Alliances

Although there are various functions of alliances for states, there is also concern in the literature that wars and alliances are correlated. There is ample research on relations between wars and alliances in order to understand the correlation and come up with data set. Scholars interested in this correlation generally use game theory since it helps them to formulate the system of alliance and the choices that the allies have. Many of the studies using game theory and Correlates of War Project come to the conclusion that alliance increases the level of conflict. It is observed in the historical examples that states in alliance are more prone to get into war (Smith, 1995: 406). Since alliances give states the guarantee of military support in case of a conflict, states may become more likely to get involved in conflicts. However,

alliances are not actually that reliable. Studies indicate that only 25% of states step into conflict to support its ally (Siverson and King, 1980).

The international system is based upon anarchy and it consists of sovereign states with national leaders who hold authority of state hence it is very difficult to compel them to comply with their agreements (Leeds, 2003: 801-802; Niou and Ordeshook, 1994: 168). The difficulty is that states have different self-interests and these interests may change over time. That change may also trigger entrapment or abandonment of alliances particularly due to the anarchic nature of the international system.

Some of the scholars argue that alliances are the signals of states' future actions. Therefore, only states that are willing to keep their promise join alliances, "bluffing" is not very common to observe in alliances (Leeds, 2003: 802). There are some other scholars who argue that alliances are the means of providing security through the usage of economies of all states within the alliance. However, in order to consider the joint usage of economies for producing security states should be confident about each other's commitment to the alliance. Although Siverson and King's study indicated that states most of the time do not respect their agreements, new studies by Leeds, Long, and Mitchell that are more reliable, thanks to their improved data set, demonstrate that states keep their promise 75% of the time if there is not anything extreme (Leeds, 2003: 803).

As it is stated, state leaders form alliances so as to show other states the intention and future reaction of their state. This is also a way for states to specify their policies

towards opponent states. Alliance prevents their opponents' from attacking or waging war against the allied states. Since alliance creates cost for states like loss of autonomy and economic burdens, leaders are not likely to bluff with the formation of alliances. Bluffing may occur when the cost of alliance is low and state affords to take the risk of violating the alliance agreement. For realists, the costs of obeying the alliance should preponderate the costs of violating the alliance (Leeds, 2003: 806).

There is a question in the literature that if states are paying attention while forming alliances, then why is there a case of violation? Leeds comes up with two basic reasons: insensitiveness of state leaders towards the fulfillment of alliance agreements and existence of changes that influence the viewpoints of leaders on alliances (2003: 810). States that have low costs by abandoning the alliance and states that have maneuvering ability may be more inclined to bluff. Secondly, drastic changes within the state may elicit leaders to change their opinions on the existing alliances. In that case, regime change is the mostly encountered internal dynamic that affect state's alliance formulation. Interlinked with this consideration, the literature mostly focuses on the relation between democracies and alliances and its violation.

Leeds looks at two different factors in terms of decision making: "domestic political structure and power status in the international system" (2003: 813). In the context of domestic political structure, especially democratic states arouse interest because leaders of these states are accountable to the public thanks to elections. Therefore, they try to keep their promises in order not to lose their reputation and accountability. Major states may not feel obliged to fulfill their requirements concerning the alliance

because other states cannot enforce them to keep their promises. Yet, small powers feel threatened if they do not fulfill their obligations (Leeds, 2003: 813).

The second motivation for leaders to conclude an alliance agreement is the share of economic burden for guaranteeing security. Alliance agreements enable states to decrease individual spending on defense thanks to joint expenditure for security. Especially for weaker states, sharing expense gives the opportunity to the state for economic growth. However, alliance may increase the level of spending for defense due to the lack of confidence created by the existence of another alliance. This situation actually generates “security dilemma” in the formation of alliances. It is argued that “States accumulate power in many ways; the most prominent methods are by armament, territorial aggrandizement, and alliance formation.” (Snyder, 1984: 461) Therefore, the accumulation of power through alliance formation creates a security dilemma within the international system. According to Snyder, there are two phases of security dilemma in alliance politics: first it occurs during the formation of alliance and secondly it occurs after the formation of alliance. There are two options for states: they will either ally or avoid alliance. States in alliances try to increase their level of security and avoid insulation in the international system. Once alliance is formed, there occur other alliances to counter the alliance. That leads to the security dilemma due to “defensive purposes” (Snyder, 1984: 462).

Alliances are not just influenced by the foreign policies of states but are also affected by internal dynamics of states as stated below (Snyder, 1984: 465).

...in a multipolar system there is a general incentive to ally with some other state or states, following the logic of the N-person prisoner’s dilemma, or security dilemma, that is generated by the structure of the system. Who aligns with whom results from a bargaining process that is theoretically indeterminate.

The indeterminacy is reduced, though not eliminated, by the prior interests, conflicts, and affinities between states and their internal political make-up (Snyder, 1984: 465-466).

It is also important to specify the factors that affect the “choice” of leaders within alliance. First among the factors is the “relative dependence” of states in the alliance, meaning which one needs the other in order to protect itself from a threat. Relatively the depending state most probably will not abandon the alliance agreement due to its need for other states’ resources for protection. The second factor is “strategic interest” representing state’s desire of blocking an adversarial state to increase its power. Rather than being in need of alliance’s help, the state wants to avoid its adversary to get aid by forming alliance. Another factor is the level of being explicit in the alliance because its level determines the existence of concern towards each other’s loyalty to the agreement. That factor actually cannot be separated from relative dependence because the level of dependence determines level of anxiety and that anxiety can only be removed by explicit agreement. The fourth factor is linked with shared interests over the adversary state. If they do not have similar interests concerning the opponent state, then they will be worried about abandonment or entrapment. As a final factor, reputation is extremely important for state’s choices in the alliance. If one state was not faithful to alliance agreements in the past, other states will not confide in that state’s promises for the alliance (Snyder, 1984).

2.6. Alliances in Different International Systems

The world has experienced various international systems that affect the relations between states. Thus, it seems essential to recognize the differentiation in terms of alliances in different international systems. “A unipolar system is one in which a

single state controls a disproportionate share of the politically relevant resources of the system.” (Walt, 2009: 91) It means that there is no hegemonic power to contest and other states cannot mobilize an alliance overweighing the hegemon. In terms of unipole, it does not feel compelled to obey the rules of alliance because it does not need the power of alliance to affect other states. Contrary to the bipolar world, hegemonic power will be more independent to act in alliances since it is not bound by the regulations of the alliance. On the other hand, small powers will not have the advantage of duress and leverage on great powers as they enjoyed during the Cold War. Therefore, small and medium powers worry more about abandonment in a unipolar era than a bipolar era.

There are three choices for states to make in unipolarity so as to generate security: hard balancing, soft balancing, and regional balancing. Hard balancing is the one that is known as Balance of Power and in that case states try to coordinate coalition power to balance the unipole (Walt, 2009: 100). States will not attempt to form alliances if they do not face an imminent threat because they avoid increase of defense spending. States may also use soft balancing in order to counter the hegemon by directing their opposition to specific policies of the hegemon instead of opposing the distribution of power. They use “nonmilitary tools” like “international institutions, economic statecraft, and diplomatic arrangements” to withstand the unipole (Pape, 2005: 10). According to Walt, in times of unipolarity, states may create alliances to increase their capabilities in order not to depend on the hegemon. The aim of the states is to find a way to provide autonomy and that is called “leash-slipping” by Walt (2009: 107). Although there are some scholars who argue that bandwagoning will be faced in unipolarity compared to other international systems

Walt claims that it will not be the case. This is because for bandwagon to happen, weaker states should trust the unipole that by alliance the stronger state would direct its attention to other states. However, in unipolarity there is not the possibility of military response for unipole to achieve its goals since weaker states will not insist on to continue opposition to the unipole. Another way of forming an alliance during unipolarity is called “regional balancing” meaning that states may form alliance with the unipole in order to counter regional power. Regional balancing might not be the situation all the time since there are other factors that affect the formation of alliance such as “geographical proximity” or capability of state to procure security.

In a multipolar world, where there is no anarchy, alliances are not confident about states to rely on. There are risks of “abandonment” and “entrapment”. Abandonment actually means “defection” and in that case states may not help when their help is needed, they may abandon the alliance and form an alliance with the opponent state, or they can just leave the alliance (Snyder, 1984: 466). Differently, entrapment means that states get involved in a conflict that actually does not serve their interests. If states are merely interested in preserving treaties, then they can get into a fight that does not bring benefit to them. There is also the risk of losing bargaining power owing to “strong commitment” to the alliance (Snyder, 1984: 467). Therefore, states shun giving precise promises to their allies in order to provide room for maneuver and keep their chance of changing sides.

These are the possibilities that could occur in alliances of a multipolar world; yet it is also essential to analyze the situation in bipolarity. It seems that abandonment is not very feasible in a bipolar international system, because states stick to their alliance to

protect their interest and national security. “The alliance is stable because it is essentially a product of the structure of the system and of the common security interests generated thereby. So long as that structure and those interests persist, the allies are free to disagree.” (Snyder, 1984: 485) It is also argued that alliances of the Cold War which was a bipolar international system lasted long than other alliances formed in other international systems (Leeds and Mattes, 2007: 184). However, in a multipolar system there are many choices for states to make and there is not much guarantee that states will not break their words and stick to the alliance. Therefore, in terms of alliances bipolar systems are more reliable for states not to be worried about the consequences of the alliances.

Literature on alliance theories, as observed, focuses on different aspects of it. There are ample studies on definitions of alliance to its functions, reasons behind the formation of the alliance to different types. However, in terms of practical examples, studies generally focus on NATO, the effect of balance of power concerning the relations between specific states, or they generally look at the alliance from the USA’s side. Different from other studies, this thesis will try to look at the issue as an Iranian-American alliance rather than American-Iranian alliance and will benefit from Iranian history for detailed analysis of the reasons for Iran to choose the USA as an ally. Therefore, in the third chapter Iran’s history in the Pahlavi period will be reviewed in terms of both domestic and external dynamics in order to enable the readers to get an insight of Iran’s point of view regarding alliance with the USA.

CHAPTER III

HISTORY OF IRAN: AN OVERVIEW

In today's world, it has become immensely important to study the Middle East in world politics and its history. In order to reconnoiter it, one has to understand where the Middle East is. There have been several discussions on the location of the Middle East and which countries should be involved. The term Middle East was firstly used by Captain Mahan, a US naval officer, in his article on British responsibility on securing the road to India (Bilgin, 2004: 2; Davison, 1960: 666). Even though the definition of the Middle East goes back to 1902, scholars do not have a clear cut idea about where it starts and where it ends. In point of fact, countries' involvement in the region depends on the conjuncture of the time and scholar's personal ideas. Even if there is not a prevalent idea on the borders of Middle East, there are some common states that belong to Middle East in most studies. Iran is one of these states and finds itself an enormous place in the studies of International Relations.

Iran is one of the greatest civilizations of the world, thus it is relatively difficult to write about its history, compared to other states. Since my thesis is particularly about the Pahlavi regime, I will restrain my study between World War I and the Islamic

Revolution of 1979. The reason to start it with World War I is that Reza Shah's rise to power can not be explained without it.

3.1. Reza Shah, the Father

World War I and its disastrous effect in Iran generated the path for a strong figure to show up in politics. This man was Reza Khan, commander of the Cossack Brigade “the most potent military force in all of Iran” (Pollack, 2005: 27). He came from a military family dwelling in Mazanderan (Abrahamian, 2008: 63). He had joined the Cossack Brigade when he was young. He was known as a multilingual speaker: Alashti –the language of Mazanderan-, Persian, Russian and Turkish. Until his resignation during Iran's occupation by Britain and Soviets in 1944; his contributions to Iran may be summarized as “development of modern industry” and “construction of nationwide systems of communication, roads, ports, and, most grandiosely, the Trans-Iranian railway” (Cronin, 2005: 211). The process of modernization led by Reza Shah transformed Iran into a modernized state with new institutions and structure (Faghfoory, 1987: 413).

To fully grasp the factors behind the coup d'état in 1921 led by Reza Khan and Sayid Zia ed-Din Taba-Tabai, the political situation in Iran has to be understood extensively. Iran was on shaky grounds due to the serious effect of World War I, British occupation of Iran, domestic weaknesses and economic difficulties (Saikal, 1980: 18). There was a growing discontent towards the Shah and the regime and there were also problems of territorial integrity due to revolts like Bakhtiari and Qashqai against the central government. Due to the lack of authority, with the support of Russia in the northern provinces of Iran, Iranian Soviet Socialist Republic

of Gilan was established in 1920 (Saikal, 1980: 18). Therefore, Iran was in delicate condition and the people were fed up with foreign influence and the corrupted regime.

In order to explain the coup d'état that enabled Reza Khan to be Reza Shah, Sayid Zia ed-Din Taba-Tabai should be introduced first. Taba-Tabai was a son of “an anti-constitutionalist preacher” and a newspaper editor (De Bellaigue, 2012: 62). He supported the Anglo-Persian Agreement that was signed in 1919, after the negotiations conducted between Sir Percy Cox (Minister of Britain in Iran) and couple of officers from Tehran including Ahmad Shah Qajar. The agreement was about British's mission of modernizing public administration and armed forces of Tehran. Additionally, Tehran would get financial aid and military equipments. By signing the Anglo-Persian Agreement, Britain “establishing a new mandate in Mesopotamia, his dream of a chain of vassal states guarding the overland route to India finally seemed feasible” (De Bellaigue, 2012: 50). Due to Taba-Tabai's support for the Anglo-Persian Agreement, he was believed to be bribed by the British and started to apply his plan of military coup with the help of Reza Khan.

Sayid Zia ed-Din Taba-Tabai organized a coup with Reza Khan with 2,500 soldiers (Cottam, 1988: 40; Lenczowski, 1980: 170; Upton 1970: 44). The Cossack Brigade and Taba-Tabai entered Tehran on February 20, 1921 and carried out several arrests of former government officials (Upton, 1970: 45). Their intent was to end the situation of so called “failed state” and establish a strong central government. Therefore, just after the coup d'état, Reza Khan became the minister of war and commander in chief of Iran and Sayyid Zia became the prime minister. It may seem

that Sayyid Zia achieved his goals by using Reza Khan's military force and power. By taking over the government Sayyid Zia and Reza Khan declared that "they would initiate an age of national revival by ending internal disintegration, implementing social transformation, and saving the country from foreign occupation" (Abrahamian, 1982: 118).

There are arguments in the literature that Reza Shah came to power by the support of Britain and it is even claimed that Britain was the real power behind the coup d'état. However, Zirinsky argues that London was not the dominant power for Sayyid Zia and Reza Khan to be able to conduct a coup d'état; but its policies toward Iran enabled Reza Shah's survival (1982: 639). In that manner, this paper agrees with Zirinsky's argumentation because Britain's presence for a long time in Iran led to the idea that without Britain's support nobody could dare to stand up against the regime and organize a coup d'état (Zirinsky, 1992: 641).

It is also worth to explore the underlying reasons for Britain to stay quiet about the coup d'état in Iran. Historically, Iran had a substantial role for Britain's policies towards its colonies-particularly India-. Iran was on the way to India, hence Britain thought Iran as a buffer zone to protect India from other external powers. In addition to India, Britain also mandated Iraq which has a border with Iran. Therefore, it is obvious that Iran had great importance for the safety of India and Iraq that were being controlled by Britain. Besides Britain's imperial status, there were other factors for London to conduct close relations with Iran. Iran had significant oil resources and for the sake of its own industry Britain was the most privileged country in Iran in terms of oil companies (Lencowzski, 1980: 176; Zirinsky, 1992:

644). Anglo- Iranian Oil Company was one of the world's biggest oil companies and it was operating on the island of Abadan which was one of the "world's biggest refineries" (Lencowzski, 1980: 176). The company's privileges would cause "nationalization" problems in Iran during Muhammad Mossadegh era that will be discussed later. Thus, due to its close interest in Iran many scholars believe that Britain was involved in the coup d'état of Sayyid Zia and Reza Khan.

Zirinsky explains Britain's involvement with the coup by coming up with several points and the most important ones are: British military assistance to the Cossack Brigade by training them, some British official's intermediary role between Sayyid Zia and the Cossacks, Norman's (Britain's diplomat to Iran during 1920-1921) introduction of Cossacks to Tehran, Norman's pressure on Ahmed Shah and guarantee his personal safety, and Norman's support of a new regime (1992: 645-646). Although the coup was not planned by British authorities, steps taken by British officials smoothed the way for Sayyid Zia and Reza Khan. Thus, it may be claimed that Reza Khan's coup was eased by Britain but his rise to absolute power was his own success.

3.1.1. The rise of Reza Shah and His Reforms

Reza Khan's rise to absolute power was not so easy. He firstly needed to transform his power and gained support particularly from the army. So as to reinforce his power within the army he provided the transfer of the gendarmerie from The Ministry of Internal Affairs to Ministry of War, changed the foreign high officials and appointed his own men to foreign high officials' positions. Some of the colonels

had organized revolts in order to challenge the authority of Reza Khan and the central government; yet Cossacks quelled the riots (Abrahamian, 1982: 119).

Reza Khan spent about five years to consolidate his power and eliminate the possible threats to his rule. Sayyid Zia was sent to exile ninety nine days after the coup. Reza Khan stepped into absolute power in 1925 by forcing out Ahmed Shah and becoming Reza Shah Pahlavi, a name that he picked from the pre-Islamic Sassanid Empire (Abrahamian, 2008: 65; Pollack, 2005: 27). He was in power until World War II and occupation of Iran by the Soviets and Britain. While writing about Reza Shah's consolidation of power it is essential to talk about his relations with the ulama. Until 1925, Reza Shah seemed to be in favor of ulama and consulted with them in state affairs in order to receive their support to construct his power (Faghfoory, 1987: 414). Importance given to the clergy by Reza Shah may be understood from the quotation as follows:

Dear compatriots: experience has shown that a government should not oppose the public opinion and will....My aim has always been to protect the grandeur and welfare of Islam and the Muslims, and to safeguard the independence of Iran and sovereignty of the nation. The idea of republicanism has created much confusion and unrest in the country. When I paid my homage to the shrine of Fatimah at Qum (Peace be upon Her), I exchanged ideas with the religious authorities, and we concluded that it would be more beneficial for the country if all efforts should be concentrated on reforms, the strengthening of foundations of the Faith and the removal of all obstacles to the progress and independence of the country. (Wilber, 1975: 79 in Faghfoory, 1987: 418)

Many scholars of world politics recognize Reza Shah as a modernizer but at the same time, a so called dictator. It is also known that Reza Shah admired Mustafa Kemal Atatürk who is the founder of modern Turkey and head of the reforms taking place to modernize Turkish people (Cockcroft 1989: 38) and Reza Shah was “especially sensitive to the image his country presented to the West, and the archaic, exotic, and

picturesque appeal of the tribes for European visitors was especially galling” (Cronin, 2005: 212). There are many studies that compare Atatürk and Reza Shah in terms of their attitudes towards state building and social reforms. First of all, Reza Khan aimed to emancipate Iran from external impacts and empower it by implementing reforms that cover many areas of governance. However, Reza Shah believed that for the aim of empowering Iran he needed to empower himself first. It seems that the fundamental differentiation between Reza Shah and Atatürk lied in their different approach towards governance (Pollack, 2005: 28).

Despite criticisms over his dynastic pretension Reza Shah made serious contributions to modern Iran’s history particularly in the area of state building. It may be claimed that a nation state in Iran was established thanks to his modernist, reformist, nationalist and centralist policies (Garthwaite, 2011: 203). Iran was in a position where outside of Tehran, there was practically no presence of central government. He built the state on two important pillars: the military and the bureaucracy (Abrahamian, 2008: 66). In terms of military, he unified the armed forces under his command. “The Cossacks, gendarmes, and police, along with other military formations, were all amalgamated into the new National Iranian Army, with a single uniform and a single administrative code.” (Ghods, 1989: 99) The unification of the army enabled Reza Shah to call colonels to account to him and remain loyal to himself. The reasons for Reza Shah’s exclusive attention to the military are firstly his military background and his belief that only a “well-organized”, “well paid” and “disciplined” army could guarantee him political success. He was in need of powerful army in order to terminate the uprisings in Iran. By disciplining the military forces, he was able to defeat Kuchik Khan –procommunist rebel-, and end riots in

Khorasan and Azerbaijan (Lenczowski, 1980: 171). Reza Shah also succeeded to challenge the autonomy of Kurdish tribes. Therefore, empowering the army could be evaluated as a successful step for the sake of state building.

Not only the military, but also bureaucracy was ameliorated through substantial reforms. The number of ministries increased during Reza Shah's period. First of all, there were foreign affairs, interior, finance and justice. Then three more ministries were added to the Iranian state system: public works and commerce, post and telegraph, education and endowments (Abrahamian, 2008: 71). With the need of bureaucracy in these areas, more ministries were created: industry, roads, and agriculture. Furthermore, civil service had attracted preposterous attention from young educated men.

Investments in the army and bureaucracy led to the urbanization period in Iran and procured residual immigration to the capital city. Due to the efforts of Reza Shah for centralization, almost all civil services were in Tehran. Therefore Tehran aroused people's attention and those civil services became the centers of new ideas that spread from there to the whole country. Between 1925 and 1928, new laws were incorporated mostly from France by altering religious and customary laws. For instance, commercial law was in the hands of the religious class. Trade was forbidden for certain goods and charging interest was also prohibited. Hence in 1925, a new Commercial code was put into force by adopting Western principles even though some ulama rejected it (Keddie, 1981: 95).

In order to eliminate external influences over the country, Reza Shah decided to emancipate Iran economically. For this reason, he invited an American expert to the country, Dr. Arthur Chester Millspaugh, to identify the economic and financial problems that Iran was experiencing and propose feasible solutions. Millspaugh was in Iran until 1927, and his stay enabled Tehran to increase its income with reorganization of the taxing system. With the increase of income, Reza Shah was able to proceed with the project of Trans-Iranian railway. It would link Iran to the Caspian Sea and Persian Gulf (Lenczowski, 1980: 171). Some scholars argue that the construction of the railway would provide an opportunity for communication between the distant regions of the country. However, Ghods claims that construction of the railroad was the symbol of “national pride and independence” rather than benefiting the economy itself (1989: 102). The reason for him to judge the construction of railroad and criticize it is the burden put on the Iranian people with increased taxes. Since the budget of construction was provided by the special taxes put on sugar and tea, ordinary citizens especially felt the economic effect of investment. Other than the Trans-Iranian railway, Reza Shah also gave directions for the construction of highways and air communication. Mail service between Tehran and other provinces of Iran was established by the German Junkers airline. Flights from Iran to Iraq and India started in 1928 by giving exclusive rights to British airways (Lenczowski, 1980: 172).

Ghods argues that economic modernization of Iran was led by the Shah himself. There was an “appetite for industrialization”, however it was not for the sake of the economy it was there as a “symbol of prestige and status” (Ghods, 1989: 101). However again it is seen that Reza Shah attributed all the economic interest to

Tehran. Therefore while Tehran was growing and gaining economic prosperity other provinces of Iran were still economically backward. Due to the investments in the capital city, as argued above, immigration to Tehran had increased.

Reza Shah wanted to modernize the country not only in technological, but also in social and educational terms. Despite objections from the ulama, Reza Shah implemented the French judicial system and restrained the usage of religious courts for civil matters. “Reza Shah wanted no sharing of authority with any independent group in Iran, and he considered the influence of backward Shia clergy as detrimental to the Westernization of the country.” Therefore he used various ways to challenge the authority of the ulama in Iran (Lenczowski, 1980: 172).

Another important puzzle to solve was the situation of women in Iran and their emancipation from the boundaries set by the clergy. Therefore, the first steps were towards the education system. It was aimed to uniform the educational system because education was in the hands of various entities like “state, private individuals, clerical foundations, missionaries, and religious minorities” (Abrahamian, 2008: 84). Therefore existing schools were to be centralized by adopting the French model of curricula and most schools were built in metropolitan centers (Ghods, 1989: 104; Keddie, 1981: 97). For the incorporation of schools, foreign schools were forced to use Persian as the academic language (Keddie, 1981: 97). The number of schools had increased, and six universities had been established. Curricula of schools focused on nationalism, patriotism and obedience to central authority (Ghods, 1989: 104; Lenczowski, 1980: 173). The percentage spared for education within the whole

budget was 4 percent which was extremely low compared to many other states in the world (Keddie, 1981: 97).

Women were encouraged to wear western dress and in 1935 his wife and daughters showed up in public dressed in Western style (De Bellaigue, 2012: 95; Lenczowski, 1980: 173). Women were going to cinemas without veiling, appearing in public areas like bazaars, restaurants, and streets. Men were also encouraged to be westernized by their clothing, shaving, and hats (Abrahamian, 2008: 84).

Another project of Reza Shah was to purify the language from Arabic, hence he established The Academy of Literature in 1935 to achieve that goal. However, different from Turkey he did not propose a new alphabet in order to simplify writing. In addition, instead of Persia he ordered that the country's name would be Iran from then on (Lenczowski, 1980: 173). Actually, Iran that means land of the Aryans was used by the Iranians themselves and Persia was the name that was mostly used by the Western countries. Both with the efforts of Reza Shah's establishing nation state and Hitler's focus on "Aryan" race led Reza Shah to change the name from Persia to Iran. It both enabled Iran to get the support of Germany as a third power and connote the powerful times of Iran during Sassanid Empire.

After Millspaugh left Iran, the Shah assigned Dr. Lindenblatt, a German economist for the establishment of Iranian national bank (Lenczowski, 1980: 173). The concession of issuing banknotes was taken from the British controlled bank of Iran and given to Iranian national bank (Lenczowski, 1980: 174). By using German support, Iran made tremendous strides to establish new industries. The Shah himself

invested money on various different industrial sectors. He encouraged the construction of modern buildings by private or public enterprises. For instance, he owned hotels in different parts of the country. If Mustafa Kemal Atatürk and Shah Reza are compared in terms of their dedication to emancipation from foreign influence and modernization Reza Shah's task was more difficult. Since Reza Shah himself had never been to Europe and even he could not internationalize modernization by himself. He was inclined to rule in a dictatorial way due to his "personal ambitions" (Lenczowski, 1980: 174).

One of the main objectives of Reza Shah was the unity of Iran. There were many autonomous powers in Iran that prevented it from being centralized. The society was tired of rebellions, foreign influence, and factions within the country. Hence, Reza Shah was seen as the synthesizer of the country, founder of national pride and independence, and deliverer of stability. Reza Shah said that:

Our aim is to establish a government that will not plunder the treasury. A strong government, that will create a powerful and respected army, because a strong army is the only means of saving the country from the miserable state of its affairs. We want to establish a government that will not discriminate among Gilanis, Tabrizis, and Kermanis. We want to establish a government that will not be an instrument of foreign politics. (Ghods, 1991: 38)

It is understood from the passage that even in 1921, Reza Shah was determined to strengthen the army, establish a centralized state, and liberate the country from external influence. However, ironically his end came with external intervention by the invasion of Britain and Soviets during World War II. After his abdication from

the government and exile abroad, his son Muhammad Reza Pahlavi³ was brought to the throne by external powers.

Before analyzing Reza Shah's foreign policy, it needs to be understood that Reza Shah was not very popular among Iranians. Thus they did not get upset with his exile. There were several reasons behind his unpopularity. Three major groups did not favor Reza Shah's policies: the landowning aristocracy, poor people, and clergy (Upton, 1970: 55-57). For the landowning aristocracy, centralized government was not the best case because it was a threat to their existence. Particularly the increasing strength of the army threatened the political control of landowning aristocracy. Besides, with the reorganization of the financial system by Dr. Millspaugh they had to pay taxes regularly to the government. Also, "it must naturally have been galling to members of this group to find themselves subject to a Shah who tended to treat them publicly with disrespect, had little understanding or appreciation of the national traditions and values they supported, abolished their titles, and seemed bent upon their destruction" (Upton, 1970: 56).

The second group was the poor people who were not clearly discussed in Upton's book as a disadvantaged group but many other scholars argue that the poor was the most affected group by Reza Shah's economic policies. Although his intention was to modernize the economy, organize the tax system, and construct important projects like the Trans-Iranian railroad or industrialization in Iran the burden of these reforms was on the shoulders of the poor ones. For instance, Trans-Iranian railroad was constructed only by the taxes levied on tea and sugar, mostly consumed by ordinary

³ At the age of 11, he was sent to Switzerland for education and remained there for four years. When he returned to Tehran, he was sent to Military school for further education.

citizens. The last group that was bothered with the policies of Reza Shah was the clergy. The reforms taking place to modernize the country and actions to emancipate women were mostly criticized by the ulama. Their power over the society was challenged and the policies to lessen the effect of Shii Islam on the society deeply affected the increasing hatred towards the Shah's regime. As a result, when Britain and Soviets forced the abdication of Reza Shah and sent him to exile, those people actually did not feel negatively about foreign intervention, but felt that they were saved from Reza Shah's dictatorial governance.

Although the period of modernization started with Reza Shah, he did not pay attention to the agricultural sector which actually was the heart of Iran. The deficiency in reforms of agriculture led to decline in production and living standards of peasants (Pollack, 2005: 35). Reza Shah's reforms became a burden for many of the citizens and prize for the upper class. Therefore, the modernization period became a nuisance for the people of Iran.

Ayandeh, published monthly, had described the national unity and identity as:

Our ideal is to develop and strengthen national unity. The same ideal created the nation-states of Germany, Italy, Poland, and Rumania. The same ideal destroyed the multinational state of the Ottoman Empire. What do we mean by "national unity"? We mean the formation of cultural, social, and political solidarity among all the people who live within the present borders of Iran. How will we attain national unity? We will attain it by extending the Persian language throughout the provinces; eliminating regional customs; destroying local and feudal authorities; and removing the traditional differences between Kurds, Lurs, Qashqayis, Arabs, Turks, Turkomans, and other communities that reside within Iran. Our nation will continue to live in danger as long as we have no schools to teach Persian and Iranian history to the masses; no railways to connect the various parts of the country; no books, journals, and newspapers to inform the people of their rich Iranian heritage; and no Persian equivalents to replace the many non-Persian place names in Iran. Unless we achieve national unity, nothing will remain of Iran. (Afshar, 1925: 5-6 in Abrahamian, 1982: 124-125)

Reza Shah is claimed to be a “reformer” and “modernizer”; however Abrahamian argues that his main aim was to expand his dictatorial power by propounding new institutions. These institutions were the way for him to generate a strong centralized state (2008: 72). He achieved his goal by reorganizing the Majles to be his “power center”. From 1926 to 1940, Reza Shah closely observed the composition of Majles and tried to manipulate election results of the elections. Therefore, members of the Majles came generally from landowners, businessmen, and civil servants.

“The shah –together with his chief of police- inspected the list of prospective candidates, marking them as either “suitable” or “bad,” “unpatriotic,” “mad,” “vain,” “harmful,” “stupid,” “dangerous,” “shameless,” “obstinate,” or “empty headed”.” (Abrahamian, 2008: 73) The process of the election was governed by the electoral boards that were appointed by the central government. Therefore it was obvious that the elected would be those who were marked as “suitable” by Reza Shah. In order to ensure loyalty of the Majles, he closed the political parties and privately owned newspapers and lifted parliamentary immunity (Abrahamian, 2008: 74).

3.1.2. Foreign policy of Reza Shah

As a secondary power state, Iran was not a pro-active country that would seek revisionist foreign policies. It was a status quo power that desired to protect itself from foreign intervention and influence. In terms of the Middle East, Iran pursued peaceful relations with its neighbors. On April 22, 1926 Iran, Turkey and Afghanistan concluded a friendship agreement (Lenczowski, 1980: 174). In 1932,

King Faisal of Iraq visited Iran and in 1934 Reza Shah visited Turkey. In 1937, Iran, Turkey, Afghanistan and Iraq signed the Sadabad Pact which provided non-aggression and cooperation (Lenczowski, 1980: 175). Other than Iraq, other countries of the Middle East like Syria, Lebanon, and Palestine were under mandate; thus Iran was not able to conduct close relations with them. Iran's main problem was the influence of big powers inside Iran and their control over the Iranian government. Those great powers were Britain and the Soviets.

3.1.2.1. Iran- British Relations during Reza Shah's Governance

Reza Shah's rise to power was generally assumed as a grand British plan by Iranian nationalists. However, as stated above it is not an absolute fact. British officials' acts could have paved the way for Reza Shah's seizure of power, but Reza Shah himself endeavored to become the sole power of the country and the desire for a strong and unified nation in the country eased his situation. "The dilemma that emerged for the British was that they were losing control of developments in Iran, but to a government that was providing the stability and protection for British interests that they desired." (Cottam, 1988: 45) Despite the fact that he came to power by promising to eliminate foreign influence his policies to provide stability and order inside the country played into the hands of Britain with the wane of rebellions in different provinces of Iran. Stability and order were pivotal factors for Britain's existence in Iran because before Reza Shah Britain had to subsidize and conciliate local authorities. Yet Reza Shah's dictatorial governance suppressed these authorities and provided security to British operations in oil refineries (Cottam, 1988: 46).

The attitude of Britain towards the coup took place in Iran indicates that Britain was not opposed to political change in Iran. It actually considered its economic position and privileges. With the foundation of Iranian national bank, Britain lost its privilege of issuing money; but its real challenge was with the oil crisis. Since it was in need of raw materials for its imperial goals it could not connive at the policies for the increase in Iran's oil share within the Anglo-Iranian Oil Company. Therefore, relations of Iran and Britain were centered on oil share issue.

Oil industry had also of vital importance for the Iranian government due to its investments in Iran. Compared to other industries in Iran, there were more workers in oil refineries than the total of workers in other industries (Thornburg, 1944: 25-29 in Keddie, 1981: 109). Therefore, history witnessed many disputes considering relations between Iran and Britain regarding oil revenues. In 1927, Britain and Iran had a dispute over oil rich Bahrain islands in terms of its sovereignty issue. In 1928 Iran unilaterally abolished the capitulations given to foreign countries. Another problem arose with the change in the customs tariff. In 1928, to normalize their relations Britain and Iran concluded an agreement. The treaty reassured some rights of Britain in Iran considering capitulations (Lenczowski, 1980: 177). In 1932, another oil crisis broke out. Reza Shah tried to end concession given to the Anglo-Iranian Company regarding oil revenues. However, he was not enthusiastic about Britain's possible intervention; hence he did not push too much. Britain and Iran concluded a treaty in 1933 that improved Iran's allocation from the company, but concession's termination was due 1961 and it was extended to 1993 (Keddie, 1981: 109).

3.1.2.2. Irono- Soviet Relations during Reza Shah's Governance

Russia was traditionally meddling with Iran by interfering in its internal problems. Although the 1921 agreement with Russia tried to enhance the relations between Russia and Iran it could be better described as prudent. The rebellion that took place in Gilan and supported by Russia caused Iran to be distrustful of Russia. Later, rebellions broke out in Iranian Azerbaijan and Khorasan that were close to Soviet borders scaled up the suspicion towards Russia. Besides, Iran's policies towards communist groups of Iran "irked Moscow, despite the official doctrinal stand that classified Reza's regime as an antifeudal semi-bourgeois revolution, and, hence a positive step forward, according to Marxist dialectics." (Lenczowski, 1980: 175)

Another issue between the Soviets and Iran was concessions regarding oil – especially northern oil fields of Iran-. With the 1921 friendship agreement between the Soviets and Iran, Tehran was competent of granting concessions to other countries like the USA or Britain. Iran made deals with Standard Oil of New Jersey and Sinclair for exploring oil in the northern fields of Iran. However Soviets protested the rights given to Sinclair and achieved to force Sinclair to quit its projects in Iran (Cottam, 1988: 49). Despite its rejections towards granting rights to Sinclair, Soviets actually did not show any reaction to Amiranian (American oil company) which got a concession from Iran regarding oil fields of the north in 1937 (Cottam, 1988: 49; Lenczowski, 1980: 175).

Other than oil, trade between Iran and the Soviets constituted an important matter between them. The Soviet ambassador of Tehran even said that "What counts in

Persia is North Persia only and the latter is fully dependent on Russia. All North Persian products that must be exported can find their only market in Russia. If we Russians stop buying them, Persia is bankrupt in one month. This is Russia's strength which has no equivalent on the British side." (Blücher, 1949: 187 in Lenczowski, 1980: 176) The quotation from Petrovsky indicates the power of the economic relations between Soviet Russia and Iran. It is also explained that Russia used its power on Iran in order to keep it in its sphere of influence.

3.1.2.3. Third power policy of Iran: Relations with Germany and the U.S.A

As it is stated before, Iran tried to get rid of foreign influence in the country; thus it sought for a third power in order to balance Britain and Soviet Russia (Ghods, 1989: 117). With the rise of Hitler, Reza Shah regarded him as a factor for his "bargaining strength" towards foreign influence of states –Britain and Soviet Russia- (Cottam, 1988: 47). Hitler was also in favor of increasing Germany's relations with Iran due to its strategic position in the region. As a result, technical and economic relations between these two countries had risen through trade, technical and military assistance from Germany, and financial experts. Germany's assistance to Iran was extremely important particularly in the transportation sector and German firms took part in the construction of Trans-Iranian railroad. However, that intimacy between Germany and Iran could not preclude the invasion of Iran by Britain and the Soviets during World War II.

Iran's relations with USA will be analyzed in detail in a separate chapter, but for the integrity of the topic Reza Shah's period will be discussed briefly. Iranian- American

relations are not as old as other external powers' relations with Iran since the U.S.A was not really interested in the matters of other countries for a long time. Relations could be basically dated back to missionary activities of Americans in Iran in the 19th century. Official relations were based upon the security of American officials in Iran. After the parliamentary revolution in Iran in 1906⁴, W. Morgan Shuster was appointed as treasurer-general of Iran with the approval of Majlis (Cottam, 1988: 33). He was an American financier and his appointment was recognized by Britain and Russia. He even has a book entitled *Strangling of Persia* where he talks about his experience in Iran (Zirinsky, 1992: 651). During Reza Shah's rule another American financier –Dr. Arthur Millspaugh- was summoned to Iran to reorganize the Iranian financial system.

The USA became interested in Iran during Reza Shah's period not for political but for economic concerns. As it is stated above, Reza Shah gave concessions to American oil companies and trade relations between these countries had improved. The U.S.A.'s serious political interest in Iran actually started with the Second World War and Cold War. Particularly with the invasion of Iran by Britain and Soviet Russia during World War II increased the importance of Iran in the eyes of USA. That importance would lead to an intimacy of relations between the U.S.A. and Iran until the 1979 Revolution.

⁴ The world witnessed constitutional movements in the 19th and 20th centuries in different countries and Iran was one of them. With the effect of Western ideas, increasing appearance of modern intellectuals, and presence of middle class led to the 1906 Revolution in Iran. For detailed information, see Ervand Abrahamian. *Iran Between Two Revolutions*. (Princeton: Princeton University Press, 1982).

3.1.3. Reza Shah's Reign and the Son

Britain and the Soviets invaded Iran during World War II and that became the end of Reza Shah's era and the start of his son, Muhammad Reza Shah's rule. When we look at the background of invasion of Iran, it is obvious that Iran would be invaded. In 1941, Germany invaded Russia and Iran became the obvious target for enabling Britain to send supplies to Russia by using the Trans-Iranian Railway (Pollack, 2005: 38). Iran was seen as the only "chain" that would link Britain to the Soviet Union (Hamzavi, 1944: 192). Besides, Reza Shah's improved relations with Germany and search for a third power to balance Britain and Russia had affected their decision of invasion. Even at the start of war, Britain was worried about the German presence in Iran and thought that it would jeopardize the interest of their country (Eshraghi, 1984: 27). Due to their concern,

...on 28 and 30 June 1941 Sir Reader Bullard, the British Minister in Tehran, and Anthony Eden, the British Foreign Secretary, respectively talked to Ali Mansur, the Iranian Prime Minister, and Mohammad Ali Moqaddam, the Iranian Minister in London, regarding the German colony in Iran. The Iranians were unwilling to take drastic action against the Germans in Iran arguing that they were all technical experts whose services were most valuable to Iran and to send them all away would have a serious effect on Iran's prosperity (Eshraghi, 1984: 28).

However, the expulsion of Germans from Iran would mean that Iran had chosen a side in the war that would endanger its security. Britain also thought of economic measures for Iran to apply in order to send Germans away yet it was claimed that economic sanctions would need a long time to be effective. Against Britain and Soviet efforts to affect Iran in a way that would lead to the expulsion of Germans from Iran Germany also worked hard to pull Iran to its side. Hitler even wrote a letter

and tried to encourage Tehran to stand against the demands of Britain and Soviets and claimed that victory was close (Eshraghi, 1984: 44). “Aryan brotherhood” between Germany and Iran (De Bellaigue, 2012: 108) that was also visible in terms of Reza Shah’s insistence on calling Persia Iran frightened Britain due to Iran’s supposed commitment to Nazi ideology.

Other than those reasons, the strategic location of Iran in the Middle East and the source of oil that would enable Allied states to wage war for a long time (Hamzavi, 1944: 192). Therefore, for the time being they had to invade Iran or Tehran would voluntarily allow them to use its territory for their purposes of reaching the Soviet Union.

Reza Shah actually resisted Allied invasion and refused the desires of Britain and Soviets over expelling Germans from the country and usage of Trans-Iranian Railway and Iranian ports by Britain and Russia. However, his refusal could not stop them and the army could not stand against them despite the modernization and the money spent (Upton, 1970: 81). Reza Shah was sent into exile and his son Muhammad Reza Pahlavi, who was educated in a Swiss boarding school for four years and having received military training in Iran, was brought to power by the invaders. In spite of Reza Shah’s contributions to Iran both for state building and modernization Iranians did not care much about his resignation and exile. Rather they regarded invasion as a cost for the end of Reza Shah’s era.

3.2. Iran from the Second World War to the 1979 Revolution

The war and abdication of Reza Shah led the country to return to the old days of Iran: decline of central authority and emergence of conflicts in various parts of the country (Gasiorowski, 1991: 43). War and occupation increased the level of socio-economic problems and usage of Trans-Iranian railroad as a supply route to the Soviet Union deepened the problems of transportation and management of trade. Due to the problems that Iran was living through, they called for the American expert on finance –Dr. Millspaugh again-. He was not really enthusiastic about going back to Iran but he was forced by the U.S. government for the reason that “...the United States after the war was to play a large role in that region with respect to oil, commerce, and air transport, and that a big program was under way.” (Millspaugh, 1946:47 in Keddie, 1981: 114)

Despite the loss of central authority in Iran, it is claimed by many scholars that Iran had lived through its most “functional constitutional monarchy” between 1941 and 1946 (Ladjevardi, 1983: 225). That democratic environment had lasted for almost five years. During these years the prime minister and the *majlis* were effective powers and the 19 year old Shah propped to the throne was not the dominant power in the country. Political prisoners had been released, political parties were allowed to be established, and unions were also allowed. The press was comparatively free thus new newspapers had appeared. There were two political parties that were the most important ones in that period: National Will party ruled by Sayyid Zia and Democrat Party ruled by Ahmed Qavam (Gasiorowski, 1991: 44). These parties were supported by the masses in Iran, a rare political situation.

Another party that was well supported by the Iranian people was Tudeh party that was the best organized and most active party of Iran (Gasiorowski, 1991: 44; Ghods, 1989: 126). However, it cannot be argued that Tudeh was the beginning of the communist movement in Iran because before Tudeh, there was the Persian Communist Party (henceforth PCP). PCP was founded in 1920 and it actually provided the ideological background of Tudeh (Ghods, 1990: 506). In 1941, Tudeh was founded by 27 members of Arani's⁵ Fifty Three group who had been jailed by Reza Shah and released after the Soviet invasion. Therefore, Tudeh was the continuation of PCP both in terms of the founding members and the founding ideology.

Tudeh gained support in the Iranian community and "Tudeh had become the party of the masses in more than name" (Abrahamian, 2008: 108). It had parliamentary seats in *Majlis* and got ministry of education, ministry of health, and ministry of trade in 1946⁶. It became so popular that *New York Times* estimated that it would get 40 percent of the votes in free elections (Gasiorowski, 1991: 44). It got support from "urban wage earners" and "salaried middle class" (Abrahamian, 2008: 108). "Its membership included 45,000 oil workers, 45,000 construction laborers, 40,000 textile workers, 20,000 railwaymen, 20,000 carpet weavers, 11,000 dockers, 8,000 miners, and 6,000 truck drivers." (Abrahamian, 2008: 109) Tudeh achieved inconceivable success in terms of enhancing the situation of the working class

⁵ Taghi Arani was born in 1903 in Tabriz. He went to Germany to study Chemistry and while he was there he also attended political studies. When he returned to Iran, he started to write in a magazine and continued his political activities. In 1937, Arani and 52 others were arrested for getting involved in Communist political activities and he died when he was in jail in 1940.

⁶ The ministries given to Tudeh was actually the result of the negotiations conducted between the Iranian government and rebels in Iranian Azerbaijan (Ramazani 1975: 147).

especially in oil companies. They even succeeded in convincing the government to pass a new and very comprehensive labor law.

Iran experienced several political problems in the Northern provinces. Especially Azerbaijan and Kurdistan had caused serious problems for Iran. In 1945, Jafar Pishevari who was critical of Tudeh's stance in the Majlis established a new party named Azerbaijan Democratic Party (ADP) (Ghods, 1989: 139). With the support of Soviet Union, ADP proclaimed that Azerbaijan had the right to autonomy and held a meeting on November 20 1945 with 700 people in Tabriz. It was declared in the meeting that "The people of Azerbaijan [have] distinct national, linguistic, cultural, and traditional characteristics, [that] entitle Azerbaijan to freedom and autonomy, as promised to all nations by the Atlantic Charter." ("Azerbaijan 1945" in Ghods, 1989: 141)

In Iranian Kurdistan, there were also several people striving for autonomy. Especially Qazi and Komoleh tribal leaders tried to convince the nearby great powers to support their cause. The Soviets supported their claim as well as Azerbaijanis' and these two provinces declared autonomy in 1945. The reasons behind Soviet support to these rebellions were that both were ideologically acceptable to the Soviets and they both had social bases for the revolution to occur (Ghods, 1989: 142). However, Moscow stopped supporting these movements after they withdrew from Iran in May 1946 (Abrahamian, 2008: 111). After Soviet's withdrawal Iran firstly negotiated with Jafar Pishevari and other Azeri leaders to end the rebellion in the Northern provinces. However, the negotiations could not solve the problem due to disagreement on terms of the solution. Therefore, on December 10, 1946 Iranian armed forces started to

march on the Northern provinces and on December 17 ended the rebellion (Ramazani, 1975: 151-152).

3.2.1. The Nationalist Movement in Iran

After the revolutions in northern Iran had collapsed in 1946, General Ali Razmara⁷ tried to impose his power on the *Majlis*. He had some goals in mind including a new taxation system, land reform, and war against corruption. He had been appointed as prime minister in 1950 by the Shah himself (Ghods, 1989: 181). Razmara was killed in 1951 by *Fedayan-e Islam* that was in favor of *shari'a* and the official reason for the assassination was Razmara's secret oil deal with Britain (Abrahamian, 2008: 116).

On April 29, 1951 Mohammad Reza Shah appointed Mohammad Mosaddeq as prime minister of Iran due to rising pressure from masses (Gasiorowski, 1987: 261). He did not actually suddenly appear in politics; he was an outstanding political actor since the 1900s. He was a lawyer serving as a public officer and he had gained his reputation as a nationalist in those years. Mosaddeq's main goals were known as to increase Iran's role in oil industry and increase the role of the *Majlis*.

A National Front was seen as the natural successor of the power after the assassination of Razmara. It was founded in 1949 for the purpose bringing together the nationalist political groups in Iran. Free elections were the main target of that

⁷ General Ali Razmara was a military officer and he was also brought to the premiership by Mohammad Reza Shah. In the time of the oil negotiations with AIOC, he was assassinated by 26 year old Khalil Tahmassebi, member of *Fedayan-e Islam*.

group since they equated it with stance against Britain and the role of Anglo-Iranian Oil Company (Ghods, 1989: 182). That aim of the National Front and Mosaddeq was fed with negotiations which started in 1947 and ended in 1949; yet it was not ratified by the Majlis because it was very unpopular in the society (Keddie, 1981: 133). Due to growing discontent among Iranians because of Britain's greater share in AIOC and its control in the oil company aroused oil problems, thus the first issue that Mosaddeq addressed in the Majlis was oil. In order to focus on this, he convinced the Majlis to choose four National Front deputies who would help the Majlis to implement the nationalization law (Abrahamian, 1982: 268). Since the Shah did not have the right of veto, he could not refuse to sign the law that was passed by the Majlis (Lenczowski, 1980: 191). After the oil nationalization law production stopped and Mosaddeq started to take action. He firstly established the National Iranian Oil Company (NIOC) to take over the Anglo-Iranian Oil Company (AIOC) and he started negotiations with the AIOC to persuade it to leave the control to NIOC (Abrahamian, 2008: 117). The British government called the personnel of the company back to Britain, prevented the export of oil from Iran and took the case to the United Nations (Abrahamian, 2008: 117).

Britain applied several strategies to survive this crisis without severe consequences. First of all, London tried to solve the problem through usage of legal procedures. London took the case to The International Court of Justice. Several negotiations took place between the parties to settle the dispute and the most promising one was the Stoke negotiation. However, Mosaddeq did not accept the offer of Britain that gave 50 percent share of the oil to Iran (Gasiorowski, 1987: 263). Secondly, Britain tried to impose economic sanctions on Iran in order to intimidate them. Britain asked

European countries not to buy Iranian oil and put an embargo on exports of iron, steel, and sugar (Gasiorowski, 1987: 263). Thirdly, Britain tried to remove Mosaddeq from premiership and thought that would solve the problem at the source.

The other actor of the dispute which was actually pulled into it both by Mosaddeq and Britain was the USA. Mosaddeq tried to obtain the support of the USA for nationalization of oil companies (Ghods, 1989: 185) and he thought that the USA would buy Iranian oil (Keddie, 1981: 134). However, USA had two goals in mind: to keep Iran within the Western bloc and protect the stability of the oil market (Gasiorowski, 1991: 67). For the sake of the oil market, USA provided oil for Britain to promote the stability in world oil market. On the other hand, President Truman tried to solve the problem through diplomatic means and called for a negotiated settlement between the parties. Mosaddeq also paid a visit to the USA to discuss the issue and when he was there he was really appreciated by the media and the American public.

The United States was already carrying out a CIA mission in Iran that started in 1948 in order to lessen the effect of Soviets and Tudeh party and the operation was called as BEDAMN. The operation had several angles and by using the media, books, and cartoons whereby the CIA tried to constitute anti-communist propaganda in Iran. Despite Truman's support for Mosaddeq to keep Iran within the Western side, BEDAMN provoked several National Front leaders against Mosaddeq. After the failure of Stokes negotiations⁸ that were conducted between Iran and Britain by the help of the USA, all possible means of removing Mosaddeq from office was discussed (Gasiorowski, 1987: 264). The coup to take over Mosaddeq was planned

⁸ It is called Stokes negotiations due to Richard Stokes' role as the leader of the negotiation group of Britain.

during the presidency of Roosevelt. The operation was named AJAX and it had four main components.

First, the propaganda and political action capabilities of BEDAMN were to be turned immediately against Mosaddeq. Second, opposition figures were to be encouraged to create a disturbance that would dramatize the situation by taking bast in the Majlis. Third, since the Shah had not been consulted about the coup, his agreement to dismiss Mosaddeq and appoint Zahedi was to be obtained. Finally, the support of key active-duty military officers was to be sought (Gasiorowski, 1987: 272).

After obtaining the Shah's approval, CIA pressed the button to topple Mosaddeq from premiership. Provocative demonstration was served by CIA by hiring people and some other people showed up in the streets as if they were from Tudeh. Real Tudeh partisans also joined the crowd without realizing that it was a fake demonstration. These events led to the death of 300 people and as planned the army used it as an excuse for overthrowing Mosaddeq (Gasiorowski, 1991: 78-79).

After the 1953 coup, most of the leaders of National Front were arrested and unimportant ones became the center of opposition (Gasiorowski, 1991: 86). The coup actually increased hatred towards both the Shah and the USA due to its identification with the Shah in the eyes of the public. That hatred would eventually lead to the 1979 Revolution against the Shah. After the coup, a National Resistance Movement was formed by the supporters of the National Front in order to oppose the government. They actually attracted support from various grounds within the society and published two newspapers and organized serious demonstrations, including a strike in the bazaar (Gasiorowski, 1991: 87). Another important pillar of opposition was the Tudeh party that intended to cooperate with others to collaborate against the Zahedi government.

As promised before the coup, General Fazlollah Zahedi⁹ was appointed prime minister. He was aided by the CIA financially in order to “build up the military and tribal network that would propel him to power” (De Bellaigue, 2012: 223). However, he did not stay in power for long because, the Shah realized that strong figures were a threat to his survival. Therefore, Mohammad Reza Pahlavi started to consolidate his power through three pillars: the military, bureaucracy, and court patronage system (Abrahamian, 2008: 123). His viewpoint towards consolidating power resembles his father’s, because Reza Shah used the same institutions to establish his autocracy. In order to achieve his goals the Shah constituted two different organizations in 1957. The first one was SAVAK (*Sazeman Amniat va Ettela’at Keshvar* meaning *Organization of Intelligence and National Security*) that was organized as an internal security service and the CIA and Mossad aided SAVAK (Keddie, 1981: 144). It dealt with arresting and torture, and organized operations against the opposition. The other one was the Second Bureau (G-2) that was organized for tribal affairs in the army (Amini, 2002: 147).

The Shah also aimed to be on the Western side again because it was believed that Mosaddeq’s refusal of economic aid and failure of economic development due to the oil dispute were the main reasons for British and American supported coup (Keddie, 1981: 145). Therefore, the new regime after the coup –Zahedi’s minister of finance, Ali Amini- concluded an agreement with NIOC and Western oil companies (agreement was called a consortium) to continue exporting oil. Profits of the company provided the government with a huge share of money that would help to

⁹ General Fazlollah Zahedi was married to daughter of Mirza Hussein Khan Pirnia and granddaughter to Mozzafar-al-Din Shah Qajar. Their son Ardeshir married the daughter of Mohammad Reza Pahlavi, Princess Shahnaz Palavi. He helped the CIA to implement operation “AJAX” and after the coup, he was rewarded with the premiership.

consolidate power. Other than that, the discovery of Tudeh's network within the army to collect intelligence enabled the government to disregard the opposition and eliminate its most substantial threat.

It could be said that Iran's foreign policy was also in tandem with the West. In 1955, Iran joined the Baghdad Pact and that later turned into the Central Treaty Organization (CENTO). Shah's power depended upon military and economic aid from the United States. He used the aid to empower himself through building up a police state in Iran that would later cause the Islamic Revolution (Ghods, 1989: 191).

3.2.2. The White Revolution

On January 9, 1963 the White Revolution was initiated by the Shah and was approved by referendum. Actually, Muhammad Reza Shah intended to prioritize socio-economic modernization even in 1941 when he newly became the Shah but there was need of consolidation of power for initiating the reform program. Other than internal consolidation of power, it was also necessary to take into account the external circumstances. In terms of internal circumstances, after the 1953 coup he was able to construct his own power. Concerning external circumstances, three factors were important for him to decide to implement the White Revolution. Firstly, Iraqi monarchial regime was destroyed and Iran feared the same fate. Therefore, the reform program was needed for the reconstruction of the people's belief in the regime. Secondly, after long negotiations Iran and the Soviet Union had concluded an economic and technical cooperation pact that enabled Tehran to channel its energy towards the reform program. Lastly, the Shah was aware that particularly

with the Kennedy administration USA favored reform programs in developing countries and increased their economic and military aid to those countries which implemented reform programs (Ramazani, 1974: 130). Therefore, with the appropriate timing, the reform program called the White Revolution was put into action.

The 'White Revolution' was intended to be a bloodless revolution from above aimed at fulfilling the expectations of an increasingly politically aware general public as well as an ambitious and growing professional socio-economic group, and as such anticipating and preventing what many considered to be the danger of a bloody revolution from below. (Ansari, 2001: 2)

There were twelve points aimed by the reform program: land reform, nationalization of forests and pastures, public sale of state-owned factories to finance land reform, profit-sharing in industry, reform of electoral law to include women, literacy corps, health corps, reconstruction and development corps, rural courts of justice, nationalization of the waterways, national reconstruction, educational and administrative revolution (Bill, 1970: 31-32). The administration of the reform was organized according to the conventional system of relations within different power bases. The programs under the White Revolution were to be operated by the political elites of the country. As the brain of the reform program, aside from the Shah there were three political figures: Asadollah Alam, Ali Amini, and Hasan Arsanjani. Alam was the leader of Mardom Party, Amini was prime minister when the program was launched and Arsanjani was minister of agriculture who dealt with land reform (Ansari, 2001: 2).

“Mohammad Riza Shah's reform program has been especially designed to build and strengthen those classes that support the traditional system. The bulk of the program of the White Revolution is directly aimed at the peasant, and the essence of the

program is the land reform.” (Bill, 1970: 33) Land reform meant that peasants would emerge in society as the new owners of land that would enable Iran to increase productivity of agriculture which was lowered by the migration of peasants from villages to cities (Ramazani, 1974: 131). The Shah also intended to gain support of the peasantry through land reform to stand against the professional middle class. It was very difficult to implement the land reform because of a deficiency of technical and organizational manpower. Land reform also intended to be used as a unifying force for the country by “giving peasants a stake in the economic welfare of the state, while at the same time of course being grateful to their sovereign for having released them from their ‘servitude’ to ruthless and exploitative landlords” (Ansari, 2001: 3).

Land reform was not welcomed by the ulama and landowners since ulama were also landowners they came together as an opposition bloc. Landlords argued that they were not feudal at all and land reform would damage agriculture and increase migration to cities. They also claimed that land reform would challenge the present socio-economic situation and it would not lead to advancement in society. It was also said that White Revolution was against the law because it was not discussed in the Majlis (Ansari, 2001: 9). According to the accounts, the clergy possessed one third of the lands in Iran and they were under the Waqf¹⁰. Land was the main source of income for the ulama, thus land reform also threatened their economic independence (Amini, 2002: 152-153). Besides, landowners in villages were the main supporters of the ulama (Pollack, 2005: 88); hence clergy in Iran were harmed by land reform both directly and indirectly.

¹⁰ Waqf is known as “Islamic trust” or “pious foundation” in English. It means that man or woman in Islam can provide public good with financial support from “revenue bearing assets”. It is governed by law and it is possible to see them in Muslim countries even today. For detailed information, check: Timur Kuran. 2001. “The Provision of Public Goods under Islamic Law: Origins, Impact, and Limitations of the Waqf System”. *Law & Society Review* 35(4): 841-898.

The White Revolution lacked the political reforms that had to take place in order to obviate discontent within society. Many people in intelligentsia regarded the reforms as being against them because it was actually not designed to broaden political participation. On the other hand, land reform created new problems for the government. That led to the increase in criticisms which gravitated to the government and in the long run it generated demonstrations leading to the Islamic Revolution in 1979. Therefore, the White Revolution had narrowed the support for the Shah (Pollack, 2005: 88).

There were some other problems that Iran faced during the White Revolution especially in terms of land reform. First of all, many landlords were able to keep their lands by using their force on the Shah. It was also realized that landlords gave up infertile lands and tried to keep the fertile lands to themselves. Secondly, redistributed lands lost productivity due to being too small and that caused many peasants to continue to move to big cities because these lands did not suffice (Pollack, 2005: 91).

Besides the White Revolution, another important political event was the declaration of a single party in Iran. In March 1975, Mohammad Reza Shah announced that political parties, *Mardom* and *Iran-e Novin* were dissolved and the Resurgence Party was established instead (Abrahamian, 2008: 149). It is mostly referred to as *Rastakhiz* (Ghods, 1989: 203). It was the only legal political organization in Iran and loyal Iranians were expected to join the party. *Rastakhiz* spent a year to take control of state organizations under its custody and that enabled the party to implement governmental policies. It increased the level of repression in the country and

deepened the political opposition towards the Shah owing to its dictatorial nature. Therefore, the narrow communication between the ruling class and society almost stopped and politically it brought the end of Shah's era.

In addition to other problems, political repression started to be an important problem for Iran especially after the foundation of SAVAK. Political prisoners were one of the main problems related with SAVAK and it was estimated by Amnesty International that during the 1970s, political prisoners were counted by the thousands (Rubin 1987: 84). Even the Shah himself admitted his way of governing as authoritarian in an interview with Oriana Fallaci and said that "to get things done, one needs power, and to hold onto power one mustn't ask anyone's permission or advice. One mustn't discuss decisions with anyone." (Fallaci, 1973) However, it is argued by Rubin that Iranian rulers felt obliged to be authoritarian; otherwise they would be toppled from the throne. However, the actions of the Shah and SAVAK led people to increased hatred towards them (Rubin, 1987: 85).

It can be observed through the historical conjuncture that the revolution actually was not a surprise. During Mohammad Reza Shah's tenure, there had been several demonstrations by various segments of the society. By trying to consolidate his power through pressure and single party government, the Shah principally failed to embrace different parts of the society. Particularly with White Revolution, he gained serious enemies –the most important was the ulama- due to land reform. The objection against the Shah from the clergy increased the level of dissatisfaction in the society and paved the way to the 1979 Revolution in Iran. That revolution led to a completely different Iran as a state in world politics and changed the situation in the

Middle East since then. It was also a great shock for the USA that Islamic Revolution had happened in Iran since the Shah was actually one of their closest allies compared to many other states. The rest of Iranian history witnessed the struggle with USA and other Western countries due to their different stand in world politics, but this is beyond the scope of this thesis. Therefore, the next chapter will look into the nature of alliance between Pahlavi Iran and the USA.

CHAPTER IV

AMERICAN-IRANIAN RELATIONS DURING THE PAHLAVI ERA

Lately, the world has witnessed a cautious rapprochement between Iran and the USA thanks to P5+1 negotiations on the nuclear issue. There are many studies on the possible outcomes of the negotiations in the literature. Iran's possible intimacy with the West excites scholars of International Relations and decision makers. This curiosity is because after the 1979 Revolution, the relations between USA and Iran were unfavorable and USA even considered Iran as a "rogue state". Therefore P5+1 negotiations enable people to be hopeful about future relations of these two states. At this point, it is significant to analyze the Pahlavi era of Iran in terms of the American-Iranian relations because that era was when Iran and USA were inseparable allies. Some even considered Iran as the most important ally of USA in the Middle East. In order to understand and foresee the possible outcomes of US-Iran dialogue, it is essential to analyze the only era that witnessed the alliance of USA and Iran: that is the Pahlavi era. Therefore, the aim of this thesis is to understand the dynamics of the relations between those two states during the Pahlavi period by utilizing alliance theories.

Alliance theories were summarized in the first chapter, but in order to understand the scope of the relations systematically, the definition of alliance and theory of omnibalancing will be revisited. Stephen Walt introduces alliance as a “formal (or informal) commitment for security cooperation between two or more states, intended to augment each member’s power, security, and/or influence” (Walt, 2009: 86). This definition is the guiding definition for understanding the relationship between the USA and Iran. Besides, in terms of alliances several factors need to be considered. First of all, it means that there is a cooperative relationship between at least two states. It generally endorses military cooperation among these states. Alliance occurs in case of a common threat to the national securities of these states. Lastly, states value collective action in terms of conducting foreign policy (Miglietta, 2002:1).

Another aspect of alliance is its function for the states joining alliances. Liska talks about three different functions of alliance as “aggregation of power”, “means of controlling another state”, and “promotion of stability and the status quo in the international system”. Osgood adds a fourth function as the promotion of internal security. This is generally the case when small powers seek alliance (Miglietta, 2002: 3).

Weaker states are more likely to bandwagon as it is observed after World War II by Finland’s cooperation with the Soviet Union. It is also observed in 1973 with Egypt that bandwagoned the USA. Stephen David argues that Third World countries not only consider external threats but they also act regarding internal threats and form alliance with stronger states. Therefore, he comes up with “omnibalancing” that

looks at the issue both in terms of realist factors like external factors and in addition internal threats and political figures' preferences (Miglietta, 2002: 7).

Another aspect that was used to analyze alliance relations between the USA and Iran was Gasiorowski's claim to patron-client relationship. According to him, the USA was the patron state that provided economic aid, loans and grants, technical advisors and military aid. On the other hand, Iran was the client that obtained all these goods. In cliency relationship, the important point is that the parties of that relationship are eager to form the relation in order to provide mutual security (1991: 2). Generally the patron's security concerns are dictated to client countries and the client's political stability becomes essential for the maintenance of that special relationship.

As it is stated by Gasiorowski, high degree of cliency relationship may pave the way for a client state to become autonomous whose interests might become different from the society's interests (1991: 20). That might cause popular unrest in the country and in the long run the autonomous government may be toppled down because of the dissatisfaction. Therefore, cliency relationship should keep the balance in the country in order to preserve political stability.

Kennan talks about two real alliances of the USA and referred to others as "implied alliances". These two alliances are selected countries of NATO and the security agreement with Japan and these are the real alliances of the USA according to Kennan. Other alliances with USA's allies are not actually real alliances, but they are implied alliances that happen within the conjuncture of the times. These are generally Middle Eastern countries that are supported by the United States for Cold War

purposes (Kennan, 1993: 194-199). It might be true when it is considered that USA's policy objectives in the Middle East consisted of three different parts: (1) containment of communism in the region, (2) maintenance of oil to the American market, and (3) preservation of the security of Israel (Coffey and Bonvicini, 1989: 45). However, as it is argued there are other objectives of the USA concerning its alliances in the Middle East. Therefore, it may be claimed that the alliance of Iran and the USA was not just an implied alliance as Kennan argued.

After giving the different perspectives on the issue, David's theory of omnibalancing which will enlighten the dynamics of the alliance between the USA and Iran will be illustrated. According to David, rather than just external factors that other theories of alliances use, internal factors are also important determinants of alliance for small powers. These states ally by the rational calculation of the decision makers for finding the most reliable alliance that would keep these countries' political stability. This does not mean that small powers do not take external threats into consideration. They calculate their options of allies by taking into account both external and internal threats. Internal threats may in fact affect their choice of foreign ally. In terms of Iran, it could be mainly said that at the time regime's most important threat was Tudeh that was supported by the Soviets and territorial integrity of Iran (Iranian Azerbaijan and Iranian Kurdistan) was also threatened by the Soviets. Therefore, Iran chose to omnibalance the Soviet Union with the USA rather than appeasing Moscow.

The reason for David to include internal threats as a factor in the formation of alliance and generate the concept of omnibalancing is that internal threats sometimes might become more imminent than the external ones. It may also be observed that

internal and external threats in small powers are one with the other and they are intertwined. For example, coup d'états are very serious threats in these countries and they are accounted as the cause of nearly two hundred regime changes in small powers of the world (David, 1991: 12). Ethnic and political disintegration motivations also frequently surface as a problem in those countries called the Third World. Therefore, it is significant to contain internal threats as an important variable for the formation of alliance as added to external threats.

Barnett and Levy also state that the literature generally focuses on the external dynamics that lead states to form alliance. On the other hand, they argue that internal dynamics of states like “economic resources”, “military equipment”, or “regime stability” are very important for the Third World countries (1991: 372). Third world countries may lack the necessary resources to attend to a security threat, or they may need the economic resources that they would spend on military for economic development. External threats might dominate most states’ alliance formation, but there are many cases where internal threats to security determine the choice of an ally for smaller powers (Barnett and Levy, 1991: 378).

The reason for this particular thesis’s usage of omnibalancing as the explanatory theory in terms of the relations between Iran and the USA is that other realist theories are not sufficient and comprehensive for the explanation of the specific period’s relations. Iran’s internal conditions are as important as the external threats for the formation of the alliance because if it weren’t, then the 1979 revolution of Iran would not be as hostile to the USA as it had been. It is argued in this thesis that both internal and external factors determined Iran’s close relations with the USA during

the Pahlavi era. As internal threats, it is sufficient to analyze the history of Iran. Reza Shah who was the founder of the Pahlavi dynasty came to power through a coup d'état as it is explained in the previous chapter. His abdication from power was due to the invasion of British and the Soviet forces. The leader of the National Front and the principal actor of the oil nationalization law, Mosaddeq¹¹, was overthrown from the premiership through a coup d'état that was put into action through both the USA and Britain and internal collaborators. Lastly, Mohammad Reza Pahlavi, the last Shah of Iran was forced out of power through the Islamic Revolution in 1979. In addition to all these, Iran had lived through Iranian Azerbaijan and Kurdistan separatist movements that were believed to be supported by the Soviet Union. Besides, there were generally severe demonstrations in the country protesting the Shah and his policies that especially increased after 1960. As a result, it is thought that internal threats in Iran are very significant to keep in mind while forming alliance. Both Reza Shah and Mohammad Reza Shah considered not only external threats like the Soviet Union and Britain, but they also regarded the internal threats to the regime's stability and political integration.

There is an argument that if alliance is formed due to domestic concerns or it is up to the preferences of decision makers, then it is more likely to dissolve. Sometimes, alliances are based upon the preferences of political leaders rather than the cost-benefit analysis or national security consideration. If that happens, then it is possible for that alliance to be of short duration because of the change of regime or change of government (Miglietta, 2002: 12). Smaller states generally consider internal reasons

¹¹ Mosaddeq was born in 1882 to an upper class family. His father was financial administrator to Nasir al-Din Shah Qajar and his mother was a granddaughter of Abbas Mirza, Qajar Prince. Before his role as Prime Minister in Iranian politics, he took part in several tasks like governership of the southern province of Fars, governing Iranian Azerbaijan or portfolio of foreign affairs (Bill & Louis 1988: 48-49).

for the formation of alliances, as well as the “dynamic of their regional goals” (Miglietta, 2002: 12). “Due to the different levels of analysis of the alliance partners, the larger power must concern itself with issues at the systemic level, while the orientation of the smaller power is on the regional situation, and even the survival of the individual regime.” (Miglietta, 2002: 13) It is also observed that Iran took internal dynamics and regional prospects into account while forming alliance with the United States and as it is stated by Miglietta, regime change brings the end of their close relationship.

4.1. Early Relations

After the illustration of theoretical background, historical relations of these states will be given by reference to economic, military, and diplomatic relations. Although the alliance relations between them started especially with the Second World War and the beginning of the Cold War, in order to grasp Iran’s and the USA’s viewpoints on each other, the historical background will be discussed first.

The very first Americans known to visit Iran were Harrison Gray Otis Dwight and Eli Smith who traveled to Iran in 1830 for exploration with the aim of missionary activities. In 1835, five Americans went to Iran, Urumiyeh, for missionary purposes and they contributed to their region in terms of health, education, and well-being of the Iranians (Bill, 1988: 15). Official interrelation between Iran and the USA dates back to 1851 but they exchanged diplomatic representatives in 1883 (Bill, 1988: 16). Early phases of relations between Iran and the USA were basically maintained through individuals. During the Constitutional Revolution of Iran (1905-1911),

Howard Baskerville who was a teacher at the missionary school personally supported the revolution and died for it (Zirinsky, 1986: 279). Another source of forming relations with Iran was through archeological expeditions and digs that began in the 1880s. "The University of Pennsylvania organized the earliest, but other institutions, among them the University of Chicago, the University of Michigan, and Yale University, soon joined in." (Goode, 1997: 3)

In 1911, Iran requested a financial advisor and hired Morgan Shuster who was actually not sent by the American government, but supported by the State Department. Thus, his mission in Iran was quasi-official in the eyes of both parties. He was actually a lawyer who held similar tasks in Cuba and the Philippines until 1908 (Rubin, 1980: 10). Shuster collected taxes, reorganized the financial system (Banani, 1961: 37-38; Fawcett, 1992: 108). Shuster employed Major C.B. Stokes to become his assistant in Iranian Azerbaijan that was in Russia's sphere of influence. Russians rejected the idea of British employee in Iranian Azerbaijan and Britain did not approve his employment (Cottam, 1988: 34). Therefore due to his successful financial advices and disregarding of Russia's interests, with the enforcement of the Russians, he was sent back to the USA in 1911 (Zirinsky, 1986: 279-280).

Dr. Arthur Millspaugh was in charge of financial affairs after Shuster (Banani, 1961: 115; Cottam, 1988: 53; Fawcett, 1992: 108; Miglietta, 2002: 35; Ramazani, 1975: 76; Saikal, 1980: 31; Zirinsky, 1992: 643). Millspaugh was sent to Iran from 1922 to 1927 in return for Iran's request for an advisor. He was in charge of reorganizing the tax system of Iran, yet Reza Shah sent him back to the USA while eliminating all possible opponents to his authority. Millspaugh's "ultimatum" of restricting Iran's

military expenditure actually led Reza Shah to dispatch him back to his country (Zirinsky, 1986: 282). Millspaugh was also accused of scorning Iranians according to Reza Shah (Cottam, 1988: 53). It was actually true as seen in Millspaugh's entitled called *Americans in Persia*. "For him, Iranians were an immature people, who like children, were impetuous, often charming, selfish, and undisciplined." (Cottam, 1988: 63) In January 1943, Millspaugh came back to Iran to serve as financial advisor again (Gasiorowski, 1991: 50). He was in charge of organizing the financial system of Iran and he was empowered to "appoint, promote, demote, transfer, or dismiss any employee of the ministry in consultation with the finance minister" (Ramazani, 1975: 77). However, Millspaugh actually could not understand the domestic situation in Iran, so that he failed to produce effective policies for the proper reconstruction of the financial system (Bill, 1988: 25).

4.2. Second World War and the Close Relations

The Second World War is claimed to be a turning point for the relations between Iran and the USA due to the occupation of Iran by the Allied Powers, although the relations of these two countries go back to much earlier dates (Gasiorowski, 1991: 50). With the occupation of Iran, the Soviets secured the supply route for the war and guaranteed its survival against Germany. Britain secured the oil fields in Iran and enabled the continuance of war (Saikal, 1980: 24). On the day of the occupation, Reza Shah requested help from Roosevelt and in the message he wanted the USA to end the occupation. Besides, diplomatic staff of the USA was called to the Ministry of Foreign Affairs and asked to convey the message of Iran. Tehran basically wanted from the USA to use its close relations with Britain to terminate the invasion.

Although the USA could not answer all the requests of Iran, it had discussed the issue in the Secretary of State's Office and replied to Reza Shah's letter as soon as possible (Ramazani, 1975: 40). Therefore, it is possible that the USA's efforts to honor Iran's requests assured Tehran that USA could be possible ally for the preservation of Iranian territorial and political integrity.

During the 1940s, there were several missions in Iran conducted by economic, military and diplomatic missions of the USA. Rather than the diplomatic mission, President Roosevelt sent General Patrick J. Hurley to Iran in order to maintain interactions with the administration in Iran on informal bases. Military interactions were actually the most prominent ones. Military interaction, in fact, started with the need of more troops in Iran for the continuance of the supply aid to the Soviet Union because British staff was inadequate and Iranian ports and railways were in adverse conditions. Therefore, the involvement of U.S troops in Iran was on the agenda (Ramazani, 1975: 57).

From 1942 to 1947, in order to support the Iranian army to recover itself ARMISH (American Mission to the Iranian Army) was led by General Clarence Ridley. The largest military mission was the Persian Gulf Service Command (PGSC) headed by General Donald Connolly and it consisted of 30,000 troops that provided the maintenance of supply line to the Soviet Union (Lenczowski, 1990: 7-8). On October 1947, USA Army Mission's task duration (ARMISH) was extended as the advisory team for the Iranian army. ARMISH aimed to enhance the capabilities of the Iranian Army under General Robert W. Grow. "...the ARMISH Agreement bound the Government of Iran to consultation with the United States on to the employment of

any personnel ‘of other foreign government for duties for any nature connected with the Iranian Army.’” (Ricks, 1979: 173) There were various reasons for ARMISH to be created: inclusion of Iran to the Truman Doctrine, USA’s military assistance program for Iran, and continuance of military assistance for the internal security of Iran (Ricks, 1979: 174).

On November 1943, Iran and the USA concluded an agreement called GENMISH (Gendarmerie Military Mission) after Iran’s request for an advisor who would deal with the law enforcement department (Bill, 1988: 20; Fawcett, 1992: 112; Laing, 1977: 87; Ramazani, 1975: 72). The first chief of GENMISH was Colonel H. Norman Schwarzkopf who was the “founder and head of the New Jersey Police” for 15 years, hence he was notably seen as qualified for the job in Iran (Ricks, 1979: 169). Schwarzkopf trained and organized 20,000 police force of Iran between 1942 and 1946 (Ricks, 1979: 170). Despite the fact that GENMISH was an independent entity, it mostly cooperated with the Military Assistant Advisory Group (MAAG)¹² unit in Iran. GENMISH was charged with Iranian Gendarmerie’s “mobility”, “firepower and “communication capabilities” (Gasirowski, 1991: 115). “The gendarmerie took part in the ‘reconquest’ of Azerbaijan in December 1946, participated in government disputes with the tribes and sought to control smuggling.” (Goode, 1989: 24)

Other than just military relations in those years, Iran made deals with several consultation firms for analyzing Iran’s economy and capacity of Iran. In December 1946, Iran hired the Morrison Knudsen International Engineering Company for

¹² It was designed by the USA to send military advisors to other countries for the training of conventional armed forces.

\$100,000 (Ramazani, 1975: 155). The company recommended to Iran to focus on agriculture, roads and railways, and private oil company (Ricks, 1979: 174). On October 1948, Iran signed another consultation agreement with another American firm, Overseas Consultants, Inc for the analysis of economic and social conditions of Iran (Ramazani, 1975: 155; Ricks, 1979: 175).

It is claimed by Ramazani that Iran was seeking a “political” alliance even when the Iranian government asked for economic aid from the United States. Iran’s pivotal interest in searching for commercial relations with the USA or hiring American advisers lies behind political reasons. If one looks at the Second World War and Azerbaijani crisis era, these are the periods that Iran asked for financial aid from the USA because these were the threatening moments for its territorial integrity and political unity (1975: 162-163).

In terms of political events, in 1943, Churchill, Roosevelt, and Stalin came together in Tehran to plan of defeating Germany. Mohammad Reza Pahlavi at the age of 22, who became the Shah after Reza Shah’s abdication, was concerned about the attitude of those world leaders toward him due to his inexperience and age (Cockcroft, 1989: 53). Due to Iran’s recent declaration of war on Germany, Iran, compared to the past, was in a better position to benefit from the conference. On the last day of the conference in Tehran, “Declaration of the Three Powers Regarding Iran” was signed by Churchill, Roosevelt, and Stalin. The declaration mainly focused on Iran’s assistance to the war, recognition of economic difficulties in Iran due to the Allied occupation, and support to Iran in the post-war period (Ramazani, 1975: 66; Rubin 1980: 23). Although the Declaration did not put pressure on Britain, the Soviets and

the USA Tehran was at ease at least a little bit. The Tehran Declaration was vague and it did not put any specific obligation on the signing states, yet it was important for Iran because the USA was involved in the declaration (Rubin, 1980: 23).

In July 1945, Stalin rejected the proposal of early withdrawal from Iran at the Potsdam Conference (Lenczowski, 1990: 10). That was actually the sign of the Soviet will in terms of Iran's Northern provinces. Truman thought that there were three issues involved in Soviet presence in Iran: Turkey's security, Iran's oil reserves, and Moscow's defiance of the agreement on the withdrawal of troops from Iran (Lenczowski, 1990: 12). As the Soviet Union opposed early withdrawal from Iran in the Potsdam Conference, it did not withdraw after the end of the war despite Britain's and the USA's withdrawal in the agreed duration (Goode, 1997: 17).

It was actually predicted by many that the Soviets would not withdraw from Iran and had different plans there. Sir Reader Bullard, Britain's diplomat to Iran, told in 1946 that:

It seem reasonable to conclude, from the action of the Russians in Persia since August 1941 and from what we have seen of their policy elsewhere, that they intended from the beginning to utilize the presence of their troops to establish their influence in North Persia for good...From the moment when Soviet troops entered North Persia in August 1941, the Soviet authorities used every means to weaken the influence of the Persian Government in Azerbaijan by interference both in the civil administration and in the application of security measures...(Fawcett, 1992: 83)

When the Shah of Iran brought the case of Soviet refusal of withdrawal to the United Nations, the world woke up to the ongoing dispute between the USA and Soviet Union. Those were two states that fought together against the Germans and became parties of a major conflict (Cockcroft, 1989: 57). Many scholars considered that

event as the beginning of the Cold War. Iran's letter to the United Nations reveals the fact that why Iran was in need of American alliance. The letter says that Iran was threatened by the "interference of the Soviet Union through the medium of its officials and armed forces, in the internal affairs of Iran" (Ramazani, 1975: 128). Iran's need of alliance with the USA is not only grounded in external reasons, meaning the Soviet threat, but it also involved the internal threat of territorial disintegration.

Related with the Soviet refusal of withdrawal, there was the problem of Iranian Azerbaijan that declared independence. The Azerbaijani crisis in 1946 cannot be understood without taking into consideration foreign existence in Iran. Without Soviet support, Azerbaijani democrats would not be able to resist Tehran, and Tudeh party could not increase its power base (Fawcett, 1992: 53). During the Azerbaijani crisis in 1946, the USA supported Iran so as to force Soviets to withdraw from Iran. Support came both by diplomatic means and the UN Security Council. Soviets were withdrawn from Iran after the long lasting negotiations of Ahmad Qavam¹³ regarding oil concessions. In November after Soviet withdrawal, Iran sent troops to Azerbaijan and Kurdistan to end the separatist movements in these regions. Despite the promise that had been made to the Soviets, the Iranian Parliament did not ratify the agreement on Soviet oil concession in May (Miglietta, 2002: 38). Azerbaijani crisis and the reactions of the Soviets and the USA were seen as the first clear incident of the Cold War mentality and Mohammad Reza Shah shares the same thinking in his memoirs as follows:

¹³ Ahmad Qavam came from an extended family whose 8 members acted as prime ministers in the 19th and 20th centuries. Mohammad Mosaddeq was his cousin and his own brother also became prime minister. He served Nasir al-Din Shah when he first entered politics and before he became the prime minister of the time of Azerbaijani crisis, he served in five cabinets as prime minister (Bill 1988: 33).

I think it is fair that the cold war really began in Iran. There were of course signs of it elsewhere as well, but the lines were first clearly drawn here. It was in the course of the Azerbaijan affair that America for the first time in history began to play a leading role in the Middle East. Azerbaijan led straight to the Truman doctrine which saved Greece and Turkey from Communist imperialism. It also paved the way for the later Eisenhower doctrine (Pahlavi, 1980: 79).

After the crisis ended, military and economic relations between Iran and the USA gained momentum. In May 1950, the Mutual Defense Assistant Program and the Military Assistance Advisory Group, MAAG were established (Gasiorowski, 1991: 56; Ricks, 1979: 176). From 1947 to 1949 the MAAG and Point Four Program were “commitments to Iran’s ‘stability’ and ‘internal security’; that is, commitments to the increase of capital-intensive development and the preservation of the monarchy.” (Ricks, 1979: 177) MAAG became extremely important for both the Iranian army and police force. It advised on the training of these forces, military equipment purchases and military programs to be implemented (Gasiorowski, 1991: 109).

USA’s military missions in Iran were to increase the capabilities of Iran’s armed forces to cope with the difficulties arising in Iran concerning anti-regime activities.

The establishment of SAVAK with American and Israeli aid demonstrates the dedication of Iranian government to provide political stability and internal security.

ARMISH and MAAG were also fruitful for Iran’s internal security due to three reasons:

(1) for uncovering and combating anti-regime activities within the country such as collecting information on counterespionage, anti-government activities, political parties, incipient group violence, and subversive organizations and individuals; (2) providing advice and assistance on military matters to the Government of Iran through ARMISH-MAAG advisors; and (3) assisting Iran in administering the U.S. security assistance activities (FMS and MAP), primarily through the Vice Minister of War. (Ricks, 1979: 182-183)

4.3. Operation “AJAX”

The milestone for the relations of Iran and the USA for that particular era was the coup d'état in Iran in 1953. In order to fully grasp the nationalization crisis and the events which led to Mosaddeq's overthrow one has to first investigate the history of AIOC and its presence in Iran. William K. D'Arcy got an oil concession in 1901 (Bill and Louis, 1988: 164; Saikal, 1980: 13) and the British Government attained the 51% of the company in 1914 (Bill and Louis, 1988: 165; Pahlavi, 1980: 94). Concession gave them the right of exploring, drilling, and selling the oil and the natural gas in all provinces of Iran except the five Northern provinces that were in the sphere of interest of Russia. In order not to offend Russia, these provinces were kept out of the concession (Edmonds, 1976: 76).

The company signed the agreement to provide oil for the Royal Navy for thirty years, thus AIOC started to play a prominent role in British politics since then (Bill, 1988: 57). In return for the concession given to AIOC, Iran only got the 16 percent share. The company did not pay any taxes to the Iranian government; however it was paying income tax, corporation tax, and import duties to the British government. Therefore, there was a growing discontent in the Iranian government concerning the oil issue (Rubin, 1980: 12).

It is important to recognize the other nationalization movements for better agreements in other countries to understand that it was not peculiar to Iran or Mosaddeq only. Nationalization of oil fields became a prominent topic in the beginning of the 1950s. It actually gained importance due to the improvement of

agreements with oil companies in other countries. For example, Venezuela concluded an agreement for 50-50 share and Saudi Arabia also started to seek better arrangements (Bill, 1988: 61). “Fred A. Davies, executive vice-president of the Arabian-American Oil Company, and Shaykh Abdullah Sulayman al-Hamdan, Finance minister of the Kingdom of Saudi Arabia, signed an agreement dividing Aramco’s profits equally with Saudi Arabia through the medium of a Saudi income tax” on December 30, 1950 (Bill and Louis, 1988: 143). By considering the advancements in other countries, Iran recorded six major areas of dissatisfaction in terms of oil concessions:

- (1) the amount of revenues accruing to the government of Iran;
- (2) the supplying of the British Royal Admiralty and Royal Air Force with Iranian oil at an advantageous price;
- (3) the demand that Iran receive its share of the profits from the company’s operations outside of Iran;
- (4) the need to have access to the accounts and ledgers of the company since these figures affected Iran;
- (5) the improvement of the status of the Iranian employees of the company; and
- (6) the revision of the length of the concession (Bill, 1988: 61).

On 29 April 1951 Mohammad Reza Pahlavi appointed Mohammad Mosaddeq to the premiership due to rising pressure from the public. He was de facto leader of the National Front that was composed of different political parties which had nationalist and leftist orientations. The conversation of Mosaddeq with the American officials leads to clear understanding of the oil issue. While he was talking with Paul Nitze and George McGhee, he said: “You have never understood that this is basically a political issue.” (Lenczowski, 1990: 35) During the Eisenhower Presidency, in one of his statements, Mosaddeq said that “It is better to be independent and produce only one ton of oil a year than to produce 32 million tons and be a slave to Britain.” (Lenczowski, 1990: 35)

Mosaddeq's understanding of foreign policy also enables scholars to get insight of his opinion on the oil issue. Negative equilibrium was the foreign policy paradigm that Mosaddeq redounded to Iranian foreign policy (Bill & Louis 1988: 51). Actually it was firstly proposed by Seyyid Hassan Modarres of Isfahan who was influential in the Parliament (Zirinsky, 1992: 644). "Rather than appease the Great Powers by granting them equal concessions, Mossadegh argued that they should be kept in dynamic balance by being kept at arm's length." (Rubin, 1980: 58) It simply means an end to British influence on Iranian politics and does not necessitate to hide behind another great power (Mahdavi, 2003: 15). Therefore, negative equilibrium aims to make Iran a fully independent state with no external pressure on it for certain policies. In Mosaddeq's own words:

Our nation aspires to political equilibrium, namely, an equilibrium which is to the benefit of this country, and that is negative equilibrium ... The Iranian nation will never agree to positive equilibrium ... The nation knows that through this policy, it will not take long to lose all it has ... The Iranian nation views the governments that betrayed the country negatively ... In my opinion, the negative equilibrium is achieved when elections are held freely ... and whenever political balance is established, then concerns about not only one country but all surrounding states will be eliminated. If only the surrounding states ... would treat us justly (Behraves, 2010).

In March 1951, Parliament passed the bill on Nationalization of oil fields (Little 2002: 216). The act of Iranian Parliament and its ostensible leader, Mosaddeq, attracted criticism of the British government and AIOC. Britain applied several strategies to avoid the nationalization of oil fields like legal movements, economic sanctions, embargos, and removal of Mosaddeq from premiership (Gasiorowski, 1991: 63). London firstly tried the legal way to prevent Iran to implement the Nationalization law. It used various ways like the International Court of Justice, UN, and the mediating role played by the USA who worried that world oil market would

be badly affected by the crisis (De Bellaigue, 2012: 175; Ruehsen, 1993: 468).

However, as it is illustrated in the second chapter this strategy to convince Mosaddeq did not work out well for Britain since he did not accept to give any concession but tried to have the upper hand in the negotiations (Gasiorowski, 1987: 263).

As another strategy, Britain applied economic embargo on Iran that left several people unemployed. Iran was not able to sell its oil to other countries because Britain asked them to obey the economic embargo. Without the revenue from oil sales, Iran was economically in a miserable situation. At the same time, Iranians also started to get anxious about the nationalization of oil because people were unemployed, Britain was using embargo in order to prevent Iran to sell its oil to other states and without the oil revenue, and the state economy was on shaky grounds.

Mosaddeq left quite an impression on the American press that *Time Magazine* selected him as the “Man of the Year” when he went to the USA for the solution of the oil problem (Goode, 1997: 66; Ruehsen, 1993: 468). However, it was not easy to achieve a fair agreement. Britain was using all its efforts to deter Iran from insisting on the oil issue. The oil was shipped from Abadan to be sent to the buyers and in order to discourage Iran from implementing Nationalization Law, Britain sent a cruiser to Abadan and a paratrooper brigade to Cyprus (Bill. 1988: 51; Gasiorowski, 1987: 263; Gasiorowski, 1991: 63). In order to solve the nationalization problem, the USA sent Averell Harriman to play a “conciliatory” role during the negotiations (Bill and Louis, 1988: 183; De Bellaigue, 2012: 169). Stokes negotiations (called so due to Richard Stokes’ role as a head of the negotiation team of Britain) also could not achieve a resolution because both Britain and the USA could not understand Iran’s

desire in terms of the nationalization law. It was not just for economic reasons, but it was also for “humiliation” of Iran by being under the supervision of Britain. It was the symbol of British imperialism for the Iranians and for the National Front leaders (Cottam, 1988: 96-97). However, both Britain and the USA could not understand the motivation behind Mosaddeq’s insistence on the nationalization law. He, in fact, frankly stated his opinion to Grady¹⁴ on 28 June 1951 by saying that, “I assure you, Excellency, that we value independence more than economics.” (Bill and Louis, 1988: 180)

The oil nationalization crisis created anxiety among the British due to their partial dependence on Iranian oil to recover the effects of World War II. Britain applied to the USA for help. The United States firstly tried to reconcile both parties of the conflict and tried to safeguard the stability in Middle East oil market. After the change in administration, the policy of USA had changed as well (Miglietta, 2002: 40). There were four factors that affected the shift of policy regarding the oil issue. The USA’s apprehension of communist takeover in Iran and the possible domino effect in the world oil market in case of the nationalization of oil fields in Iran were already present factors (Ramazani, 1975: 206). Britain’s effort to convince the USA for change and Mosaddeq’s obstinacy with the nationalization contributed to the alteration of USA’s policies regarding the oil issue (Bill, 1988: 79). Actually Britain did not believe that Iran succumbed to communist threat, but in order to convince the USA to take sides with itself, London used the “obsession” of the American government (De Bellaigue, 2012: 221).

¹⁴ Henry Grady was the diplomat of the USA to Iran during 1950-1951. He actually advised the American government to distance itself from Britain concerning the oil issue. Due to the pressure coming from Britain, he was replaced by Anglophile Loy Henderson (De Bellaigue 2012: 170).

Concerning the oil reserves in Iran, Truman argued that “if the Russians were to control Iran’s oil, either directly or indirectly, the raw material balance of the world would undergo serious damage, and it would be serious loss for the economy of the Western world.” (Truman, 1956: 94-95 in Saikal, 1980: 33) Fearing to lose Iran and face oil instability, Truman administration’s initial reaction to the oil nationalization crisis was actually led by the concern of instability in Iran and world oil market (Gasiorowski, 1991: 67), hence the USA firstly tried to settle down both parties and propose to them to conduct negotiations. In order to appease both Iran and Britain, the USA initiated various negotiations and the most popular one was the Stokes negotiations. Richard Stokes, a wealthy businessman also failed to convince Mosaddeq and end the oil nationalization crisis (Bill, 1988: 75-76).

However, after the disappearance of the negotiation environment between the parties, USA agreed with Britain that it would be easier to overthrow Mosaddeq from office (Gasiorowski, 1991: 72). Especially the change of administration in the USA enabled the coup plan to be implemented (De Bellaigue, 2012: 221). Beginning with November 1952 elections, toppling Mosaddeq became a prominent issue that was actually first discussed by John Foster Dulles, Secretary of State, and his brother Allen Dulles, director of CIA. Dulles brothers were actually very effective on the decision of the coup d’état because with John Foster Dulles becoming Secretary of State, CIA became more involved in the White House (Rubin, 1980: 56). Two weeks after the election, the decision for a coup was already taken and it would be carried out by Kim Roosevelt (Gasiorowski, 1987: 271; Gasiorowski, 1991: 74). Roosevelt traveled to Iran several times in order to control the plan and lead operation AJAX.

There were four components of the plan prepared by the CIA. Firstly BEDAMN that was designed to propagate against Tudeh and Soviets changed direction to concentrate on Mosaddeq. BEDAMN was a propaganda program that aimed to lessen the influence of the Soviet Union and Tudeh in Iran (Gasiorowski, 1991: 54; Miglietta, 2002: 40). It started in 1948 just after the Azerbaijani crisis that had been solved with the efforts of Iran and help of USA. By use of two Iranians (code-named Nerren and Cilley) who are funded at about \$1 million per year, CIA enabled anti-communist articles and books to be published in Iran (Gasiorowski, 1991: 69). Gasiorowski also argues that there was the military side of BEDAMN that hired anti-Communist groups like Somka and Pan-Iranist to deal with Tudeh partisans in the streets (1987: 268). At the time of the coup d'état BEDAMN was used against Mosaddeq to draw reaction towards him.

Second, opposition groups in the country would be supported to organize demonstrations against the government. Thirdly, the Shah would be convinced to operate the coup and take Mosaddeq from office. Lastly, support from the military would be provided in order to realize the coup. After this plan of the coup was determined precisely, demonstrations and confrontations between pro and anti-Mosaddeq sides had increased. Norman Schwartzkopf who was known from his days as the first chief of GENMISH went to Iran to convince the Shah for the coup d'état (Cottam, 1988: 107). After the Shah signed *firman*s taking Mosaddeq from premiership and appointing General Zahedi in his place (Ruester, 1993: 478), Shah fled from the country. On August 15, Colonel Nematollah Nassiri handed in the *firman*s to Mosaddeq. However, Mosaddeq did not accept the *firman*s as legal and had Nassiri arrested who was the commander of the Imperial Guard (Gasiorowski,

1987: 273). That arrest led to the failure of original coup plan. However, operation AJAX continued with “fake” demonstrations that were paid by CIA and many government buildings and Mosaddeq’s home were attacked. Therefore, on August 19 Mosaddeq surrendered to General Zahedi who was appointed as Prime Minister with the Shah’s *firman* (Gasiorowski, 1987: 274-275).

It is really interesting to analyze the motives behind the American support of the coup since it was claimed to be first government subversion of the USA. One prominent issue regarding the support for coup is that with the change of administration in the USA, the view on communism got harsher. General Eisenhower criticized the Truman administration for being “soft” towards communism and the Soviet Union and accused them for “losing China” (Gasiorowski, 1987: 275). It was actually due to the regime change in China that made the USA concerned about Third world countries and the possibility of Communist takeover in these countries (Rubin, 1980: 56). Eisenhower’s letter to a friend demonstrates the fear in the USA:

As to Iran, I think the whole thing is tragic...attach as much blame to Western stupidity as to Iranian fanaticism and Communist intrigue in bringing about all the trouble. Frankly, I have gotten to the point that I am concerned primarily, and almost solely, in some scheme or plan that will permit that oil to keep flowing to the westward...The situation there has not yet gotten into as bad a situation as China, but sometimes I think it stands at the same place that China did only a very few years ago. Now we have completely lost the latter nation...I most certainly hope that this calamity is not repeated in the case of Iran (Ruester, 1993: 470).

Therefore, the stability of Iran was extremely important since it was a devoted ally in the Middle East. “By late 1952, the Truman administration had come to believe that participation by U.S. companies in the production of Iranian oil was essential to maintain stability in Iran and keep Iran out of Soviet hands.” (Gasiorowski, 1987: 275) It is also worth to assess the American oil companies’ interest in Iranian oil for

the essential understanding of the USA-Iran relations. In 1920-21, Standard Oil Company of New Jersey (today called Exxon) had sought an oil concession in Iran. Sinclair Oil also strived to get privilege from the Iranian government. Amiranian Oil made further efforts for the concession but American oil companies' effort did not get affirmative response from Iran (Bill, 1988: 27; Cottam, 1988: 51).

Just after the coup that toppled Mosaddeq, negotiations started to be conducted in order to solve the oil problem. There were three concerns over the negotiations: nationalization of Iranian oil was a fact, end to British control over Iranian oil, and compensation for the losses of AIOC (Bill, 1988: 105-106). Considering all these concerns, a consortium agreement was concluded and ratified by the Iranian Parliament in October 1954. With the agreement, National Iranian Oil Company (NIOC) was recognized by all the parties of the consortium. NIOC's task was to manage the "internal distribution of petroleum products" and Iranian government and NIOC got 50% net profit in total (Bill, 1988: 108). AIOC held 40 percent, Royal Dutch Shell 14 percent, Compagnie Française de Petroles 6 percent, and remaining 40 percent was shared by five American companies (Standard Oil of New Jersey, Socony Vacuum, Standard Oil of California, Texaco, and Gulf) where each held 8 percent share (Lenczowski, 1990: 39).

The coup d'état enabled USA to gain %40 share in Iranian oil (Miglietta, 2002: 41). The new administration in USA interpreted the situation in the framework of Cold War and viewed it as a possibility against communist takeover in Iran (Ruester, 1993: 469). Therefore, it seems that the USA feared the incident of a second China in Iran and it wanted to have a share in Iranian oil. After the coup d'état, USA gave \$60

million to the new government of Iran which showed the strengthening alliance between these two states. With the concern of political and economic stability after the coup d'état, economic and military aid had increased after the restoration of Shah's power in Iran (Gasiorowski, 1991: 90). "From 1953-1957 the United States provided Iran with a total of \$250.6 million in grants, and \$116.2 million in loans." (Miglietta, 2002: 43)

In addition to direct economic assistance and funds from the purchase of Iranian oil, the International Bank for Reconstruction and Development, as well as private American banks such as Chase Manhattan, assisted in the development of the Iranian banking system. An important institution to further Iranian economic development was the Industrial and Mining Development Bank of Iran (IMDBI), created by the Second Development Plan of October 1959. Its goal was to facilitate foreign exchange to import industrial machinery and raw materials (Miglietta, 2002: 43).

4.4. Shah's Restoration of Power

The overthrow of the Mosaddeq government was the first stage for the Shah's long process of consolidation of power. It is essential to underscore the Shah's domestic policies and his consolidation of power because "foreign policy decisions in Iran were frequently designed to serve both external goals and also domestic ends of crucial utility to the longevity of the regime" (Ramazani, 1975: 255-256). According to Ramazani, strengthening of the armed forces both for "control at home" and "defense abroad" (1975: 256). Mohammad Reza Shah believed that Iran's problem of both at domestic and external levels was insecurity and foremost purpose of Iran had to be improvement of the armed forces. Economic, social, and political problems occurring in Iran was attributed to the problem of insecurity (Ramazani, 1975: 259). Therefore, it is understood from the Shah's assumptions that Iran's external security

and internal security were entangled with each other and the internal security of the state was bound to regime security according to the Shah.

At the beginning of the Cold War, the USA's purpose was to protect Iran from Communist takeover, so it was thought that "the American military umbrella" and Iran's small but efficient army could be adequate for deterrence. Besides, the Iranian army could maintain internal security for political stability, thus it was not desired to be too big (Rubin, 1980: 38). However, Reza Shah who had lived through British and the Soviet invasion thought that a well-equipped army was necessary for Iran to protect itself from both internal and external threats without any help from foreign powers.

On August 26, 1953 Prime Minister Zahedi sent a letter to the US administration asking for economic aid claiming that "The treasury is empty; foreign exchange resources are exhausted; the national economy is deteriorated. Iran needs immediate financial aid to enable it to emerge from a state of economic and financial chaos." (Bill, 1988: 113-114; Ramazani, 1975: 261). As a reply to the request of the Iranian government, Foreign Operations Administration released that the USA would give \$23.4 million to Iran as technical assistance and President Eisenhower announced that \$45 million would be provided to Iran for economic purposes (Saikal, 1980: 47-48). In 1954, the USA granted \$110 million amounting to 54.9 percent of the government expenditures of Iran (Cottam, 1988: 112).

Economic aid had continued for many years and the amount also increased. From 1953 to 1960, military and economic aid in total exceeded \$1 billion. Even though

the Iranian government was not satisfied with the aid, Iran was getting prosperous both with oil revenues and economic and military aid coming from the USA.

Theoretically, economic aid enables countries to promote economic growth, improve economic conditions of the people, and as a foremost goal prevent the unrest among people (Gasiorowski, 1991: 18). Therefore, it is reasonable to think that the USA's aim of providing Iran with economic aid was most probably to avoid any kind of political and economic instability.

It is also important to analyze the usage of these economic aids in Iran in order to realize how important the American aid was.

After accounting for 60 percent of the Iranian government's expenditures in FY [fiscal year] 1954, U.S. military and economic aid grants together averaged 22 percent of government expenditures in the 1955-59 period and 14 percent in the 1960-63 period; U.S. loans (including Export-Import Bank loans) accounted for another 9 percent and 4 percent respectively. United States aid was thus a major source of revenue for the Iranian state in the decade after the 1953 coup, helping it finance social services, economic development projects, and domestic security forces and therefore enhancing its ability to co-opt and repress domestic societal groups (Gasiorowski, 1991: 104).

The USA considered that military and economic assistance to Iran would enable it to provide internal security and stability in the country. This would also serve USA's greater objective of preventing Iran from a communist takeover and preserve it as a pro-Western country in the Middle East. It is also observed in the quotation that:

Continuance of the Military Missions to Iran, at the request of the Iranian Government, is considered to be in the national interest of the United States. Strengthening of Iran's internal security forces by the American Missions contributes to the stabilization of Iran and, thereby, to its reconstruction as a sound member of the international community. By increasing the ability of the Iranian Government to maintain order and security, it is hoped to remove any pretext for British or Soviet intervention in Iran's internal affairs... The stabilization of Iran, moreover, will serve to lay a sound foundation for the development of American commercial, petroleum, and aviation interests in the Middle East (Ricks, 1979: 168).

Eisenhower's Secretary of State, John Foster Dulles came up with the concept of "Northern Tier" alliance that consisted of Turkey, Pakistan, and Iran. He argued that these countries are well aware of their common enemies: Communism (Saikal, 1980: 55). "The Shah's regime was very receptive to such an alliance, given its need for Western support against its domestic and regional insecurity." (Saikal, 1980: 56) The idea of the alliance of these states had been actualized through the Baghdad Pact.

In order to provide regional protection the Baghdad Pact was signed in 1955 including the states: Britain, Iran, Iraq, Pakistan, and Turkey. The fact that USA originated the initiative of Baghdad Pact yielded Iran to join it (Ramazani, 1975: 276). The USA was an associate member. Baghdad Pact was turned to Central Treaty Organization (CENTO) in 1958 after Iraq's withdrawal from the treaty following its revolution in the country (Miglietta, 2002: 44; Ramazani, 1975: 281). Miglietta argues that there were four main motivations for Iran to join the agreement. The first one was to "establish a military commitment in order to gain American support", the second was the aim of improving the conditions of the armed forces. Other reasons were mostly related with the Shah's desire to provide internal security and regime security through a powerful alliance system. Although CENTO provided deterrence for Iran against the Soviet Union, Iran lost its trust in this organization due to its inability to protect Pakistan against India.

Eisenhower Doctrine was announced in January 1957, ratified by the Senate in March. According to that doctrine, countries could request help from the USA on the basis that they are threatened by use of force and their territorial integrity and

sovereignty are at stake (U.S. Department of State, Office of the Historian). The same year, Iran announced that it wants to benefit from the Doctrine and in return Iran was guaranteed with increase in military and economic aid (Bill, 1988: 118).

Due to the revolution in Iraq in 1958, Iran forced the USA to sign a defense treaty. USA approved to conclude an executive agreement and they signed it on March 5, 1959 despite Iran's dissatisfaction because of not signing a "treaty" (Ramazani, 1975: 282). Although the pact guaranteed American assistance in case of an attack, yet it did not enhance the commitments of the Eisenhower Doctrine (Ramazani, 1975: 354). Article 1 of the agreement was as follows:

In case of aggression against Iran, the Government of the United States of America, in accordance with the Constitution of the United States of America, will take such appropriate action, including the use of armed forces, as may be mutually agreed upon and as is envisaged in the Joint Resolution to Promote Peace and Stability in the Middle East, in order to assist the Government of Iran at its request (U.N., Secretariat, Treaty Series 327, no. 4725 (1959): 277-83).

Change in the USA's presidency in 1961 was received with concerns in Iran. Mohammad Reza Pahlavi was worried about John Kennedy's administration because criticism was unfavorable for him. Due to the rising demonstrations in Iran, at about the same time with the US elections Iran initiated the "White Revolution" (*Enqelab-e Sefid*). Pahlavi notes in his book *Answer to History* that Kennedy appreciated Iran's White Revolution and congratulated the Shah (Pahlavi, 1980: 102). The Shah explains the reasons for the revolution in his book *White Revolution* as follows:

In recent years, because of Iran's internal situation and her international position I felt an imperative need for a revolution based on the most advanced principles of justice and human rights that would change the framework of our society and make it comparable to that of the most developed countries of the world (Pahlavi, 1967: 2).

White Revolution, in fact, revealed the change in the Shah's perception of security because he considered that social and economic progress of the country also generates national security (Ramazani, 1975: 313). It is also worth to mention that the Kennedy administration adopted new strategy called "flexible response" that aimed to improve conventional counterinsurgency forces which could be used in the Third World countries (Gasiorowski, 1991: 98). Presidency of Lyndon B. Johnson pressured for more reform in third world countries, thus he appreciated Shah Pahlavi's effort for White Revolution. During his presidency, USA and Iran developed close relations both at the state level and leaders' level.

USA's allies in the Middle East were anti-communist states that were actually eager to form better relations with Israel (Coffey and Bonvicini, 1989: 46). However, in order not to attract the attention of the Arab countries that were hostile to Israel, USA's allies had to keep their relations with Israel secret. Therefore, in line with the alliance relations with the USA, Iran tried to ameliorate its relations with Israel that was and is the USA's prominent ally. Economically, relations between Israel and Iran were focused on purchase and sale of oil. Since Arab countries refused to sell oil to Israel, after the 1956 Suez crisis they constructed an eight-inch oil pipeline that connected the gulf of Aqaba and Mediterranean Sea (Parsi, 2007: 23). In exchange for oil, Israel helped Iran to establish SAVAK and it also assisted them to train the personnel of SAVAK. Both CIA and Mossad were involved in the establishment of SAVAK whose task was the neutralization of the existing threats to the regime and the country (Cockcroft, 1989: 75; Gasiorowski, 1991: 117-121). CIA left five men in Iran until 1961 to provide training for the new members of the SAVAK. They taught the personnel how to collect intelligence, how to form biographical files, how to

interrogate, how to write intelligence reports, and how to use counterintelligence methods (Gasiorowski, 1991: 117). SAVAK had a bad reputation in human rights abuses mainly consisting of tortures and maltreatment. Ayatollah Khomeini was one of the victims of SAVAK due to his harsh criticisms about the Shah's policies. In 1964, the Shah exiled him to Turkey due to his critique on Shah's new policy of giving immunity to all American military personnel (Cockcroft, 1989: 77).

“The Iranian-Israeli alliance, while being an open secret in Middle East politics, was carried out discreetly by both parties.” (Miglietta, 2002: 81) Keeping the relations secret was in Iran's favor because Tehran wanted not to be isolated from the Islamic countries due to its stance towards Israel. The position of Iran within Islamic countries related with its Shia tradition and racial differentiation necessitated the Shah to act prudently to prevent other states to feel threatened.

Nixon doctrine was announced in Guam, Southeast Asia, in 1969 entitled Twin Pillar Policy that enabled Iran and Saudi Arabia to take active roles in the security of the Gulf region (Parsi, 2007: 36). “These states would provide the armed forces necessary to preserve the status quo in the region from Soviet threats, from internal revolution, and from anti-Western states within the region.” (Miglietta, 2002: 56)

Iran regarded the Nixon Doctrine as an opportunity for itself to gain regional leadership in the Middle East by fulfilling the mission of guarding the Persian Gulf. While Nixon and Kissinger, National Security Advisor, were returning from their historic first visit to Soviet Union in 1972, they stopped in Iran and met with the Shah. During this visit, Nixon talked about Twin Pillar policy and said “Protect me!”

by referring to Iran's protection of Gulf region from Communist takeover (Alvandi, 2012: 370). Also "to make the policy more appealing, Nixon offered the Shah carte blanche on the purchase of almost all non-nuclear U.S. arms." (Parsi, 2007: 37) In order to preserve the Western stance of Persian Gulf and protect it from the Soviet Union, decision makers of the USA recognized the weaponry need of Iran to be the guardian of the Persian Gulf along with Saudi Arabia (Ricks 1979: 185; Lenczowski, 1990: 118). By getting the promise of the President, Shah made an enormous purchase of weapons and military equipment. In eight years, the armed forces increased from 161,000 to 413,000 (Milgietta, 2002: 58).

It is also important to recognize reasons behind the American support for Iran to purchase military equipment. Firstly, USA wanted to transform Iran into the guardian of Persian Gulf as a representative of Western interests. Secondly, USA thought that Iran could prevent USSR from spreading in the Middle East. Besides there were economic reasons that USA would meet the deficit in balance of payments and improve the economic conditions of USA arm industry. In terms of economic contribution, it can be stated that from 1973 to 1978 Iran's purchase of weapons had counted for 28% of total sales of the weapons amounting \$3.2 billion per year (Miglietta, 2002: 72).

In 1972, Mohammad Reza Pahlavi started to act more independently from the United States and signed a friendship agreement with the Soviet Union. He also declared that Iran's national security is not only entangled with the Persian Gulf, but it also includes the Indian Ocean. With his role as a guardian in the Persian Gulf, Iran became the primary example of Nixon Doctrine. In 1965, during Shah's visit to the

Soviet Union economic and technical agreements were concluded between these states (Saikal, 1980: 95). Thus, the agreement empowered Shah's hand towards the USA in terms of bargaining leverage. In order to maintain its economic development and preserve its regional role, Iran had two major areas of concern: security of the oil market which was the driving force behind Iran's developing economic and military power and preservation of status quo in the Middle East where Soviet "satellites" would not gain control (Saikal, 1980: 135).

Iran, thus, provided help for the governments that were struggling against the "Communist threat". Tehran gave economic and military assistance to the Middle Eastern and African countries to increase its role in the region and protect the governments from Communist takeover (Miglietta, 2002: 77).

The 1976 report on the American military sales to Iran indicated that in 1973 purchases were valued at \$524 million and reached \$2.6 billion in 1975. Until 1976, military purchases of Iran reached \$8.3 billion. In 1975, "Iran imported more arms than Iraq, Afghanistan, Pakistan, India, Saudi Arabia, the United Arab Emirates, Qatar, Oman, Bahrain, and Kuwait combined" (Pryor, 1978: 57). The 1974 report on Iran's arms purchase argued that Iran not only bought modernized weapons, but it also concluded defense contracts with firms of the USA, UK, France, Denmark, and Sweden (Department of Defense, 1974). Iran also paid attention to the logistical and vehicle side of modernization, thus it paid attention to these as well (Department of Defense, 1974).

From 1969 to 1978, Miglietta argues that there were three main important areas of Iran for USA. Firstly, it was important due to its geostrategic location in the Middle East which enabled the USA to locate listening posts to monitor the Soviet Union. Continuance of the alliance between Iran and the USA implied that despite détente between two great powers, USA would not leave its allies in the Third World without help. Besides, Iran was acting as the guardian of the Persian Gulf after the Suez Crisis in 1956 and Britain's eventual withdrawal from there, Iran filled the vacuum left by Britain (Cottam, 1988: 144; Parsi, 2007: 29). Britain historically had been in the Persian Gulf and during the Cold War era, London was responsible for preventing possible Soviet attack towards the Gulf (Alvandi, 2012: 341). However, due to the economic crisis in 1968 British Cabinet wanted to cut the military spending which became the end of its presence in the Persian Gulf (Alvandi, 2012: 339). Since Iran did not have any other options than the Persian Gulf for the exportation of oil, Britain's withdrawal from the Gulf necessitated Iran's increasing role as the provider of stability and security in that region (Pahlavi, 1980: 142). For this, Iran increased its expenditure on military equipment. Between 1945 and 1972, Iran spent \$1.2 billion for military equipment which rose to \$18 billion from 1972 to 1978 (Paolucci, 1991: 12).

The Carter administration did not produce a doctrine that included a policy package to be applied globally before 1980, yet Carter's main focus was on the human rights issue. The Carter administration in the years that led to the Iranian Revolution dealt with the process of Camp David, hence they could not capture the political environment and domestic events of Iran in full (Gasiorowski, 1991: 100). Also it is claimed and supported with this thesis that the USA generally misunderstood the

internal dynamics of Iran and thought that it was always the foreign powers that had determined the politics of Iran. However, they disregarded the role played by Iranians themselves that affected the fate of Iran. That, in fact, led to the failure of the policies of USA in the 1970s and 1980s (Bill, 1988: 31). The United States' lack of understanding of Iranian internal dynamics led Americans to be surprised with the 1979 Revolution in Iran that ended the Pahlavi era and the alliance between the USA and Iran.

As a result, it can be argued that during the Pahlavi era, Iran and the United States both enjoyed the advantages of alliance. Iran ensured its safety against both external and internal threats with economic and military aid from the United States. It also maintained its economic and military development thanks to this aid. On the other hand, the USA prevented communist takeover in the Middle East with Iran's rising power as a guardian of the Persian Gulf with pro-Western stance in the region. The USA also guaranteed stability of the oil market by providing political and economic stability to Iran. Hence, the relationship between Iran and the United States provides a perfect sample case for the theory of omnibalancing and enables the students of international relations not to disregard the effects of internal threats on the conduct of foreign policy.

CHAPTER V

CONCLUSION

From the beginning of the 20th century to the 1979 Iranian Revolution, Iran and the USA experienced close relations and a beneficial alliance for both sides. The USA achieved to keep the Soviets away from the Persian Gulf with the help of Iran and Tehran maintained its economic and military development to provide external and internal security. It can be concluded that Iran benefited much more from the alliance compared to the USA due to economic and military aid extended by the United States. The Shah also guaranteed his political survival at least for 38 years and probably postponed his inevitable end several times with the help of the United States.

This thesis benefited from the theory of omnibalancing in order to analyze relations between the USA and Iran. The theory argues that smaller states think about both external and internal threats while forming alliances. It is important for the leaders to stay in power because internal threats may become more imminent and prominent for smaller states. Therefore, internal threats may outweigh the external threats.

Actually, it does not mean that these states do not consider external threats as pivotal,

yet it means that smaller states have to consider internal threats as well. It also means that sometimes internal threats to smaller states may outweigh the external ones due to their threat to territorial integrity and political stability. In turn, however, such situation may trap the donor/protector ally into supporter of extremely authoritarian leaders. Thus, the USA's foreign policy priority to pave the Persian Gulf protected from communist infiltration compelled Washington to ignore human rights abuse as well as oppression of all opposition in Iran.

The relations between the United States and Iran during the Pahlavi era are analyzed with the use of omnibalancing theory because external reasons alone do not bring a comprehensive explanation to the alliance between these two states. As an external threat, there was the Soviet Union who indicated its interest on Iran by the refusal of withdrawal from Iran after the end of World War II. The Soviet threat also triggered the crisis in Iranian Azerbaijan and Kurdistan due to its support of these provinces for independence. The solution to these external and internal problems with the help of the USA brought Iran and the USA to the edge of intimate relations. Although relations between these two states had started especially with the missionary activities in the 19th century, many scholars consider the Second World War and the Cold War as the starting points of Iranian-American alliance.

During the alliance until 1979, Iran enjoyed economic and military aid given by the United States. The aim of the USA for providing aid was the prevention of Communist takeover in Iran, protection of territorial integrity and political stability, providing stability to the world oil market, and enabling Iran to be the guardian of the Persian Gulf, especially after the British withdrawal in 1971. The underlying

reasons behind Iran's devoted relations with the United States were that due to the threat of the Soviet Union and Britain, Iran was seeking a "third power" that did not have imperialist goals. In terms of Walt's balance of threat theory, that could be the only explanation for the alliance between Iran and the USA on Iran's side. However, as this thesis argues, there were other reasons for Iran to maintain close relations with the USA. These reasons generally stemmed from internal threats and their connection with external threats. If the history of Pahlavi era is carefully read, it is observed that Iran had experienced severe political and social threats. Reza Shah's rise to power was possible with a coup d'état and his abdication was through foreign invasion. Just after the Second World War, Iran experienced the crisis of Soviet refusal of withdrawal and connected with this crisis, there was the Iranian Azerbaijani crisis in 1946 that was solved only after Soviet withdrawal. While the Shah perceived communism as a threat to the regime's survival, Tudeh (Communist party of Iran), supported by the Soviet Union, compounded the situation. In 1953, after the long lasting oil nationalization crisis, Operation AJAX was on stage and Mosaddeq was overthrown by the plan of CIA and Britain. From 1960 to 1963, there were several demonstrations of students and teachers that started as a reaction to the education system, but then turned against the regime and Shah. Especially after the foundation of SAVAK whose aim was to eliminate the threats against the regime in addition to intelligence gathering, hatred against the Shah had increased rapidly. Therefore, internal reasons that threatened the political stability and regime's survival were as significant as external threats to Iran.

In conclusion, the alliance between Iran and the United States can be analyzed through Steven David's theory of omnibalancing since it takes not only external

threats but also internal threats into account. Stephen Walt's theory of balance of threat enables scholars to calculate threats for states to form an alliance, but it does not consider the internal threats that smaller states face and feel threatened by more than the external ones. Related with the 1979 Revolution even Walt argues that "these events reveal that balance-of-threat theory cannot explain everything; Iran's realignment was due to a domestic upheaval rather than a change in the distribution of external threats" (1988: 291). Therefore, it can be argued that the Pahlavi era was an example of omnibalancing of Iran by getting closer to the United States. Since the formation of alliance was affected by the internal dynamics of Iran, after the 1979 Revolution the alliance between these two states ended. Because the USA's stance on the alliance was basically determined by the Communist threat its policies regarding Iran did not change much with changes in the administration. However, Shah's abdication paved the way for the break of the alliance and the growing hatred against the United States due to people's identification of Washington with the Shah's rule. Hence, internal factors in smaller states have to be kept in mind while analyzing foreign relations of these states.

Future Studies

In connection with alliances of the USA, George Kennan argues that the only real alliance is with NATO and Japan. Others are just implied alliances, mostly formed due to the Cold War dynamics or "long-standing Middle Eastern commitments" (1993: 198). Examples for the implied alliances are many: Egypt, Greece, Turkey, Israel, the Philippines, South Korea, and Pakistan. It is interesting to see all these countries the implied alliances of the USA since they were regarded as devoted allies

for a long time. Since Iran is also a Middle Eastern country, it is also in the scope of implied alliance. The link between the alliance and cold war dynamics seems to be correct for Iran and the USA alliance from the viewpoint of the USA. To follow up the argumentation of George Kennan, an insider of the USA's foreign policy, implied alliance necessitates further studies on alliance between the USA and its allies mostly in the Middle East to comprehend the nature of the relationships. Rather than taking these alliances between the United States and other countries as given, they must be subjected to further research. It is plausible that West-centric theories may be enriched by nuances, dosage, and time-lines of the alliance issue in international relations.

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APPENDICES

Appendix I: The Anglo-American-Soviet Declaration

Tehran, December 1, 1943

The President of the United States of America, The Premier of the U.S.S.R., and the Prime Minister of the United Kingdom, have consulted with each other and with the Prime Minister of Iran, desire to declare the mutual agreement of their three governments regarding relations with Iran.

The Governments of the United States of America, the USSR, and the United Kingdom recognize the assistance which Iran has given in the prosecution of the war against the common enemy, particularly by facilitating the transportation of supplies from overseas to the Soviet Union. The three governments realize that the war has caused special economic difficulties for Iran and they agreed that they will contribute to make available to the Iranian government such economic assistance as may be possible, having regard to the heavy demands made upon them by their world-wide military operations and to the world-wide shortage of transport, raw materials and supplies for civilian consumption.

With respect to the postwar period, the Governments of the United States of America, the USSR, and the United Kingdom are in accord with the Government of Iran that any economic problem confronting Iran at the close of hostilities should

receive full consideration along with those of other members of the United Nations by conferences or international agencies, held or created, to deal with international economic matters.

The Governments of the United States of America, the USSR, and the United Kingdom are at one with the Government of Iran in their desire for the maintenance of the independence, sovereignty, and territorial integrity of Iran. They count upon the participation of Iran, together with all other peace-loving nations, in the establishment of international peace, security, and prosperity after the war, in accordance with the principles of the Atlantic Charter, to which all four governments have continued to subscribe.

(signed)

Winston Churchill

J.V. Stalin

Franklin D. Roosevelt

Appendix II: Bilateral Mutual Aid Agreement between the United States and Iran

Agreement of Cooperation between the Government of the United States of America and the Government of Iran.

The Government of the United States of America and the Government of Iran,
Desiring to implement the declaration in which they associated themselves at London on July 28, 1958;

Considering that under Article I of the Pact of Mutual Cooperation signed at Baghdad on February 24, 1955, the parties signatory thereto agreed to cooperate for their security and defense, and that, similarly, as stated in the above-mentioned declaration, the Government of the United States of America, in the interest of world peace, agreed to cooperate with the governments making that declaration for their security and defense;

Recalling that, in the above-mentioned declaration, the members of the Pact of Mutual Cooperation making that declaration affirmed their determination to maintain their collective security and resist aggression, direct or indirect;

Considering further that the Government of the United States of America is associated with the work of the major committees of the Pact of Mutual Cooperation signed at Baghdad on February 24, 1955;

Desiring to strengthen peace in accordance with the principles of the charter of the United Nations;

Affirming their right to cooperate for their security and defense in accordance with Article 51 of the charter of the United Nations;

Considering that the Government of the United States of America regards as vital to its national interest and to world peace the preservation of the independence and integrity of Iran;

Recognizing the authorization to furnish appropriate assistance granted the President of the United States of America by the Congress of the United States of America in the Mutual Security Act of 1954, as amended, and in the joint resolution to promote peace and stability in the Middle East; and

Considering that similar agreements are being entered into by the Government of the United States of America and the Governments of Turkey and Pakistan, respectively, Have agreed as follows:

Article I. The Government of Iran is determined to resist aggression. In case of aggression against Iran, the Government of the United States of America, in accordance with the Constitution of the United States of America, will take such appropriate action, including the use of armed forces, as may be mutually agreed upon and as is envisaged in the joint resolution to promote peace and stability in the Middle East, in order to assist the Government of Iran at its request.

Article II. The Government of the United States of America, in accordance with the Mutual Security Act of 1954, as amended, and related laws of the United States of America, and with applicable agreements heretofore or hereafter entered into between the Government of the United States of America and the Government of Iran, reaffirms that it will continue to furnish to the Government of Iran such military and economic assistance as may be mutually agreed upon between the Government of the United States of America and the Government of Iran in the preservation of its national independence and integrity and in the effective promotion of its economic development.

Article III. The Government of Iran undertakes to utilize such military and economic assistance as may be provided by the Government of the United States of America in a manner consonant with the aims and purposes set forth by the governments associated in the declaration signed at London on July 28, 1958, and for the purpose of effectively promoting the economic development of Iran and of preserving its national independence and integrity.

Article IV. The Government of the United States of America and the Government of Iran will cooperate with the other governments associated in the declaration signed at London on July 28, 1958, in order to prepare and participate in such defensive arrangements as may be mutually agreed to be desirable, subject to the other applicable provisions of this agreement.

Article V. The provisions of the present agreement do not affect the cooperation between the two governments as envisaged in other international agreements or arrangements.

Article VI. This agreement shall enter into force upon the date of its signature and shall continue in force until one year after the receipt by either government of written notice of the intention of the other government to terminate the agreement.

Done in duplicate at Ankara, this fifth day of March, 1959.

For the Government of the United States of America: Fletcher Warren. For the Government of Iran: General Hassan Arfa.

Appendix III: The Oil Agreement

On 29th October, 1954, an agreement came into force between the Government of Iran and the National Iranian Oil Company (NIOC), on the one hand, and a consortium of oil companies on the other. In January, 1964, and again in 1968, Supplemental Agreements became effective, as a result of which certain provisions of the Oil Agreement were varied.

The shares of the National Iranian Oil Company are held by the Government of Iran.

The Consortium Member Companies and their interests are:

Gulf Oil Corporation	: 7%
Socony Mobil Oil Company, Inc.	: 7%
Standard Oil Company (New Jersey)	: 7%
Standard Oil Company of California	: 7%
Texaco Inc.	: 7%
The British Petroleum Company, Limited	: 40%
Bataafse Petroleum Maatschappij N.V. (Royal Dutch/Shell Group)	: 14%
Compagnie Francaise des Petroles	: 6%
The Iricon Group of Companies	: 5%

The Iricon Group of Companies which joined the Consortium as from 29th April 1955, consists of the following:

American Independent Oil Company
Atlantic Refining Company
Continental Oil Company
Getty Oil Company
Richfield Oil Corporation

Signal Oil and Gas Company

Standard Oil Company (Ohio)

Tidewater Oil Company

Appendix IV: Oriana Fallaci's Interview with Mohammad Reza Pahlavi in 1973

Oriana Fallaci: You said in another interview: "If I could have my life over again, I'd be a violinist, a surgeon, an archaeologist or a polo player, anything except a king."

Mohammed Reza Pahlevi: I don't remember saying that, but if I did, I was referring to the fact that a king's job is a big headache. But that doesn't mean I'd be ready to give it up. I believe in what I am and in what I'm doing too much for that. Where there's no monarchy, there's anarchy, or an oligarchy or a dictatorship. Besides, a monarchy is the only possible means to govern Iran. If I have been able to do something, a lot, in fact, for Iran, it is owing to the detail, slight as it may seem, that I'm its king. To get things done, one needs power, and to hold onto power one mustn't ask anyone's permission or advice. One mustn't discuss decisions with anyone. Of course, I may have made mistakes too. I too am human. However, I believe I have a task to carry out, a mission, and I intend to perform it to the end without renouncing my throne. One can't foretell the future, obviously, but I'm persuaded the monarchy in Iran will last longer than your regimes. Or maybe I ought to say that your regimes won't last and mine will.

Q: Your Majesty, how many times have they attempted to kill you?

A: Twice officially. Otherwise, God knows how many times. I'll stay alive till such time as I'll have finished what I set out to accomplish. And that day has been marked by God, not by those who wish to assassinate me.

Q: Then why do you look so sad, Your Majesty?

A: You may be right. At heart, maybe I'm a sad man. But it's a mystic sadness, so I believe. A sadness that stems from my mystical side. I wouldn't know how else to explain the circumstance, since I haven't the slightest reason to be sad. I have now attained all I ever wished for, both as man and as king. I really have everything, and my life proceeds like a splendid dream. Nobody in the world should be happier than me and yet...

Q: It must be terribly lonely to be a king instead of a man.

A: A king who doesn't need to account to anyone for what he says and does is unavoidably doomed to loneliness. However, I'm not entirely alone, because a force others can't perceive accompanies me. My mystical force. Moreover, I receive messages. I have lived with God beside me since I was five years old. Since, that is, God sent me those visions.

Q: Visions?

A: Visions, yes. Apparitions.

Q: Of what? Of whom?

A: Of prophets. I'm really surprised you should ignore this. It is common knowledge that I've had visions. I've even put it down in my biography. As a child, I had two visions: one when I was five and one when I was six. The first time, I saw our Prophet Ali, he who, according to our religion, disappeared to return the day he would save the world. I had an accident: I fell against a rock. And he saved me: He placed himself between me and the rock. I know because I saw him. And not in a dream: in reality. Material reality, if you see what I mean. I alone saw him. The person who was with me didn't see him at all. But nobody else was supposed to see him except me because... Oh, I fear you don't understand me.

Q: No, Your Majesty. I don't understand you at all.

A: That's because you're not a believer. You don't believe in God and you don't believe me. Lots of people don't. Even my father didn't believe me. He never did and always laughed about it. Besides, lots of people, albeit respectfully, ask me whether I have ever thought it might be just a trick of the imagination. Childish imagination. My answer is: no. No, because I believe in God, and that I have been chosen by God to perform a task. My visions were miracles that saved the country. My reign has saved the country, and it has done so because God was on my side.

Q: Did you have these visions only when you were a child, or when you were an adult too?

A: Never as an adult: only dreams.

Q: What dreams, Your Majesty?

A: Religious dreams. Dreams in which I saw what would happen within two or three months... Some believe in reincarnation, I believe in premonitions. The day they shot me from a distance of six feet, it was my instinct that saved me. Because, instinctively, while the assassin was emptying his revolver at me, I performed what, in boxing, is known as shadow dancing. And, a fraction of an instant before he aimed at my heart, I moved aside, so that the bullet embedded itself in my shoulder. A miracle. I believe in miracles too. If you consider how I was hit by five bullets, one in the face, one in the shoulder, one in the head and two in the body, and that the last stuck in the barrel because the trigger jammed... You have to believe in miracles. I see you're incredulous.

Q: Your Majesty, is it true you've taken another wife?

A: A stupid, vile, disgusting libel.

Q: But, Your Majesty, you're a Moslem. Your religion allows you to take another wife without repudiating Empress Farah Diba.

A: Yes, certainly. According to my religion, I could, so long as my wife grants her consent. And, to be honest, one must admit there are cases where... When a wife is ill, for instance, or when she refuses to perform her wifely duties, thereby causing her husband unhappiness... Let's face it! One has to be a hypocrite or an innocent to believe a husband will tolerate that kind of thing. In your society, when something like that occurs, doesn't a man take a mistress, or even more than one? Well, in our society, instead, a man can take another wife. So long as his first wife agrees and the court approves. Without those two conditions on which I have based my law, however, the new marriage cannot take place. So can you believe that I, my very self, would break the law by marrying in secret?

Q: Good. Let's say you deny everything Your Majesty, and...

A: I won't even bother to deny anything. I don't even want to be quoted in a denial.

Q: How strange, Your Majesty. If there is a monarch whose name has always been associated with women, it's you. And now I'm beginning to suspect women have counted for nothing in your life.

A: I fear your suspicion is justified. Women, you know... Look, let's put it this way. I don't underestimate them, as shown by the fact that they have derived more advantages than anyone else from my White Revolution. I have fought strenuously to obtain equal rights and responsibilities for them. I have even incorporated them in the Army, where they get six months' military training before being sent to the villages to fight the battle against illiteracy. Nor should one forget that I'm the son of the man who removed women's veils in Iran. But I wouldn't be sincere if I asserted

I'd been influenced by a single one of them. Nobody can influence me, nobody at all. And a woman still less. In a man's life, women count only if they're beautiful and graceful and know how to stay feminine and... This Women's Lib business, for instance. What do these feminists want? What do you want? Equality, you say? Indeed! I don't want to seem rude, but... You may be equal in the eyes of the law, but not, I beg your pardon for saying so, in ability.

Q: Aren't we?

A: No. You've never produced a Michelangelo or a Bach. You've never even produced a great cook. And don't talk of opportunities. Are you joking? Have you lacked the opportunity to give history a great cook? You have produced nothing great, nothing! Tell me, how many women capable of governing have you met in the course of interviews such as this?

Q: At least two, Your Majesty. Golda Meir and Indira Gandhi.

A: Hm... All I can say is that women, when they are in power, are much harsher than men. Much more cruel. Much more bloodthirsty. I'm quoting facts, not opinions. You're heartless when you're rulers. Think of Caterina de' Medici, Catherine of Russia, Elizabeth I of England. Not to mention your Lucrezia Borgia, with her poisons and intrigues. You're schemers, you're evil. Every one of you.

Q: When I attempt to talk about you, here in Teheran, people withdraw into fearful silence. They don't even dare to utter your name. Your Majesty, why is that?

A: From exaggerated respect, I should suppose. Because, in fact, they don't behave that way at all with me. When I returned from America, I drove through the city in an open car and, from the airport to the palace, a crowd of at least half a million people, overcome with enthusiasm, applauded me wildly. They shouted patriotic slogans,

cheered me lustily and showed no signs of a fearful silence such as you mention. Nothing has hanged from the day I became King and the people lifted my car on their shoulders and carried it for three miles. Yes: three miles or so separated the house where I lived from the building where I was to take the oath of loyalty to the Constitution. And I was riding in that car. I had covered but a few yards when the crowd hoisted the car and bore it, like a litter, for the whole three miles' distance on their shoulders. What was your question intended to mean? That they're all against me?

Q: God forbid, Your Majesty, but would you deny that you're a very authoritarian king?

A: No, I wouldn't, because, in a sense, I am. But look: To go through with reform, one can't help but be authoritarian. Especially when reform takes place in a country like Iran, where only 25 percent of the inhabitants can read and write. Believe me, when you have three-quarters of a nation afflicted with illiteracy, only the most strict authoritarianism can ensure reform; otherwise nothing can be achieved. If I hadn't been strict, I couldn't have carried through even agricultural reform, and my whole program would have been at a standstill. If that had happened, the extreme left would have liquidated the extreme right within a few hours, and more would have been lost than the White Revolution. I had to act as I did. For instance, to order the troops to fire at those opposing land redistribution. So that to assert there is no democracy in Iran...

Q: But IS there any democracy?

A: In many senses, Iran is more democratic than your countries in Europe. Apart from the fact that the peasants own their land, that the workmen participate in the

management of their factories, that the great industrial complexes are owned by the State instead of being in private hands, you must know that elections here begin in the villages and take place at local, municipal and provincial levels. In Parliament, true, there are only two parties. But they are the ones that accept the 12 points of my White Revolution, and how many parties ought to represent the ideology of my White Revolution? Besides, those two are the only ones able to collect enough votes. The minority groups are so unimportant, so ridiculous, that they couldn't manage to get a single member elected. And, however that may be, I don't wish certain minority groups to elect a member to Parliament. Just as I don't wish the Communist Party to be legal. The Communists are outlawed in Iran. All they want is to destroy and destroy and destroy, and they reserve their loyalty for others than their country and king. They're traitors and I'd be crazy to allow them to exist.

Q: Maybe I explained myself badly, Your Majesty. The democracy I was referring to is the kind we consider such in the West, a regime that allows everyone to think as they wish and is based on a Parliament where even minorities are represented.

A: But I don't want that kind of democracy! Haven't you understood that? I don't know what to do with that kind of democracy! I don't want any part of it, it's all yours, you can keep it, don't you see? Your wonderful democracy. You'll see, in a few years, what your wonderful democracy leads to.

Q: Well, at that, maybe it is a bit chaotic. But it's the only possible choice if one is to respect Man and his freedom of thought.

A: Freedom of thought, freedom of thought! Democracy, democracy! With five-year-olds going on strike and parading the street. Is that what you call democracy? Freedom?

Q: Yes, Your Majesty.

A: Well, I don't... Democracy, freedom, democracy! But what do these words mean?

Q: To my mind, they mean, for instance, not removing certain books from shop windows when Nixon visits Teheran. I know my book on Vietnam was removed from the bookshops when Nixon came here and only put back after he left.

A: What?

Q: Yes, indeed.

A: But you're not on the black list by any chance, are you?

Q: Here in Teheran? I don't know. Possibly. I'm on everyone's black list, more or less.

A: Well, because, you know, I'm receiving you here at the palace, and you're seated beside me at this minute...

Q: That shows great kindness on your part.

A: It certainly shows we have democracy and freedom here.

Q: How many political prisoners are there today in Iran?

A: I don't know the exact figure. It depends on what you mean by political prisoners. If it's Communists you mean, for instance, I don't consider them political prisoners because communism is against the law. It follows that a Communist is not a political prisoner but a common criminal. If you mean the terrorists whose actions cause the death of innocents, women, children and old people, I obviously consider them even less in the light of political prisoners. To these, I show no mercy. I've always granted a pardon to those who attempted to assassinate me, but I've never shown the slightest

mercy to the criminals you call guerrilla fighters or to traitors to the country. They're a kind of people capable of killing my son only with the aim of plotting against public safety. They're people we must eliminate.

Q: In fact, you do have them executed, don't you?

A: Those guilty of homicide, certainly. They are shot. But not because they're Communists, because they're terrorists.

Q: I was wondering what you think of Allende's death.

A: I believe his death teaches us a lesson: One has to be one thing or the other, be on one side or the other, if one wants to achieve anything and win. Halfway measures, compromises, are unfeasible. In other words, either one is a revolutionary or one demands law and order. One can't be a revolutionary with law and order. And even less with tolerance. If Allende wanted to rule according to his Marxist ideas, why didn't he organize himself better? When Castro came to power, he killed at least 10,000 people while you commended him for being capable. Well, in a sense, he really was capable, because he's still in power. So am I, however. And I intend to stay there and to demonstrate that one can achieve a great many things by the use of force, show even that your old socialism is finished. Old, obsolete, finished. They talked of socialism 100 years ago, wrote about it 100 years ago. Nowadays, it no longer agrees with modern technology. I achieve more than the Swedes and, if you notice, even in Sweden the Socialists are losing ground. Huh. Swedish socialism! It didn't even nationalize forests and water. But I have.

Q: Are you telling me that, in a sense, you're a Socialist and that your socialism is more advanced and modern than the Scandinavians'?

A: Certainly. Because that socialism means security for those who don't work and

yet receive a salary at the end of the month like those who work, whereas my White Revolution is an incentive to work. It is a new, original kind of socialism and... believe me, in Iran we're far more advanced than you and really have' nothing to learn from you. But that's a thing you Europeans will never write; the international press is infiltrated to such a degree by left-wingers, by so-called progressives. That left! It's even corrupted the clergy. Even the priesthood! Even priests are turning into elements aiming merely at destruction, destruction and more destruction. And in Latin American countries, if you please, in Spain of all places! It seems incredible. They abuse their own church. Their own church! They talk of injustice, of equality... That left! You'll see, you'll see where it takes you.

Q: Let's come back to you, Your Majesty. Which is your worst neighbor today?

A: One never knows which neighbor is worst. I'd say, however, that at present it's Iraq. Iraq is ruled by a group of crazy, bloodthirsty savages and... do you know they force our people to cross the minefields along the frontier on foot? That's right. Iranians wishing to come home because they're persecuted in Iraq have to cross our minefields on foot. Dozens of armless and legless people are in the hospital.

Q: I'm surprised that you should mention Iraq as your worst neighbor. I was expecting you to mention the Soviet Union.

A: We've good diplomatic and trade relations with the Soviet Union. There's a gas pipeline between our two countries. We sell our gas to the Soviet Union. We have Soviet technicians here. And the Cold War is over. But the question with Soviet Russia will always be the same and, when negotiating With the Russians, Iran must always remember the chief dilemma: to become Communist or not? There's nobody so crazy or naive as to deny the existence of Russian imperialism. And, although an

imperialist policy has always existed in Russia, there's no denying it's far more dangerous nowadays, linked as it is with Communist dogma. What I mean is, it's easier to face countries that are merely imperialist than countries that are imperialist and Communist at once. There exists what I call the USSR's pincer movement. There exists their dream of reaching the Indian Ocean through the Persian Gulf. And Iran is the last bastion defending our civilization, what we consider decent. Should they decide to attack this bastion, our survival would depend only on our ability and will to resist. So the problem of resistance already looms today.

Q: And Iran is strong today, as regards military preparation, isn't it?

A: Yes, but still not strong enough to be able to resist a Russian attack. That's obvious. For instance, I haven't the atom bomb. However, I feel strong enough to resist should a Third World War break out. Yes, I did say a Third World War. Lots of people believe a Third World War can only break out on account of the Mediterranean, whereas I maintain it could break out much more easily over Iran. Much more easily! It's we who control the world's resources of energy. To reach the rest of the world, oil doesn't pass through the Mediterranean: it passes through the Persian Gulf and the Indian Ocean. So, should the Soviet Union attack us, we'd resist. And we'd probably be overcome, after which the non-Communist countries would not just stand there looking on. They would intervene. Which would mean the Third World War. Have I made myself clear?

Q: Perfectly and painfully. Because you speak of the Third World War as of something likely to happen quite soon.

A: I speak of it as of something possible with the hope it doesn't occur. As an

occurrence in the not-so-distant future, I see the possibility of a small war with some neighbor or other. After all, we have nothing but enemies on our frontiers.

Q: While your best friend, the United States, is geographically distant.

A: If you're asking me whom I consider our best friends, the answer is: the United States amongst others. The United States understands us best for the simple reason they have many interests here. Economic, therefore direct interests, and political, therefore indirect interests... Iran is the key, or one of the keys, of the world. I only have to add that the United States cannot withdraw within the frontiers of their country, they cannot revert to the Monroe Doctrine. They are compelled to respect their responsibilities to the world and, consequently to attend to us. This detracts nothing from our independence, because everyone knows our friendship with the United States doesn't make us their slaves.

Q: The United States is also a good friend of Israel and, lately, you have addressed Jerusalem in very harsh terms.

A: Our policy is founded on fundamental principles and we can't countenance one country, Israel in this case, annexing territory by force of arms. We can't because, if this principle is applied to the Arabs, it may one day be applied to us. You'll retort that it's always been like that, that frontiers have always shifted following the use of arms and war. I agree, but that's not a good reason for recognizing this fact as a valid principle. Moreover, as you know, Iran has accepted the United Nations resolution, and if the Arabs lose faith in the United Nations, how are they to be convinced they've been defeated? How are they to be prevented from seeking revenge? Using their oil as a weapon, probably, too? Their oil will go to their heads. In fact, it already has.

Q: You side with the Arabs yet sell oil to Israel.

A: Oil is sold by the companies, therefore to anyone. Our oil goes everywhere: why not Israel too? And why should I care if it goes to Israel? Wherever it goes, it goes.

Q: Does such a policy forecast the day when normal diplomatic relations will be established between Iran and Israel?

A: No. Or, better, not until the question of the withdrawal of Israeli troops from occupied territory has been solved. And as regards the possibility of this question being solved, all I can say is that the Israelis have no choice if they want to live in peace with the Arabs.

Q: We all know it's thanks to oil you have computers, that it's thanks to oil you can turn out machine-made carpets and that it's oil you'll have to thank for your future wealth. May we discuss the policy you've adopted as regards oil, and concerning the West?

A: It's quite simple. I've got this oil and I can't drink it. However, I know I can exploit it to the full without blackmailing the rest of the world and even attempting to prevent its being used to blackmail the rest of the world. I've therefore chosen the policy of ensuring its sale to everyone, indiscriminately. It wasn't a difficult choice. I've never thought of siding with the Arab countries who threatened to blackmail the West. I've already said my country is independent, and everyone knows my country is Moslem but not Arab, and consequently, I don't act according to the convenience of the Arabs but according to the interests of Iran. Moreover, Iran needs money, and one can make a lot of money with oil. That's the whole difference between me and the Arabs. Because countries that say "we-won't-sell-the-West-any-more-oil" are countries that don't know what to do with their money. In many cases they have a

population of no more than 6- or 700,000 souls and so much money in the bank that they could subsist for three or four years without pumping a drop of oil, without selling a single barrel. I can't.

Q: Meanwhile, Kaddafi of Libya calls you a traitor.

A: Traitor? Me, a traitor, when I've taken the whole business into my hands and already own 51 percent of the production formerly the exclusive property of foreign oil companies? I wasn't aware Mr. Kaddafi had addressed such an insult to me and . . . Look, I can't take that Mr. Kaddafi seriously at all. I can only wish him the ability to serve his country as I'm serving mine, I can only remind him that he shouldn't be so vociferous. The Libyan oil reserves will be exhausted 10 years from now. My oil, on the other hand, will last at least 30 or 40 years. Maybe 50 or 60, even. It depends on whether new fields are discovered or not, and it is very probable they will be. But even if that doesn't materialize, we'll still manage very well indeed. Our production is increasing daily. In 1976 we'll be extracting as much as eight million barrels a day. Eight million barrels are a lot.

Q: Be that as it may, you've made a number of enemies.

A: It's possible my decision not to blackmail the West may induce the Arabs to follow my example. If not all the Arabs, some of them at least. If not at once, within a short time. Some countries are not independent like Iran, they haven't the experts Iran has, and they haven't the popular backing I have. I can dictate my own conditions. They can't yet. It isn't easy to reach a point where you can sell your oil directly, without interference from the companies that have held a monopoly for years and years. And even if the Arab countries could bring themselves to follow my example... Indeed, it would be so much simpler, and safer too, if the countries of

the West were mere purchasers and we direct purveyors. It would put an end to resentment, blackmail, grudges and enmity... Yes, it is quite possible that I may set a good example and, however that may be, I'm going my own way, forging straight ahead. Our doors are wide open to whoever wants to sign a contract with us, and many have already offered. British, Americans, Japanese, Dutch, Germans . . . They were so scared at the beginning. But now they get ever more daring.

Q: Meanwhile the price of oil will keep on rising?

A: Of course it's going to rise. Certainly! And how! You can spread the bad news and add that it comes from someone who knows what he's talking about. I know everything there is to know about oil, everything. I'm a real specialist and it's as a specialist that I tell you: the price of oil must rise. There's no other solution.

However, it's a solution you of the West have wished on yourselves. Or, if you prefer, a solution wished on you by your ultra-civilized industrial society. You've increased the price of the wheat you sell us by 300 percent, and the same for sugar and cement. You've sent petrochemical prices rocketing. You buy our crude oil and sell it back to us, refined as petrochemicals, at a hundred times the price you've paid us. You make us pay more, scandalously more, for everything, and it's only fair that, from now on, you should pay more for oil. Let's say... 10 times more.

Q: Ten times more?

A: But it's you, I repeat, who force me to raise prices! You'll have your reasons, certainly. But I too, begging your pardon, have mine. Besides, we won't go on squabbling forever. In less than 100 years, this oil business will be finished. The need for oil increases daily, existing fields are becoming exhausted, and you'll soon have to seek some other source of energy. Atomic, solar or what not. You'll have to resort

to several solutions, one won't be enough. For instance, you'll have to exploit the power of the ocean tides with turbines. Or else you'll have to dig deeper, seek oil 10,000 meters below the seabed or at the North Pole... I don't know. All I know is that the time has already arrived to take measures, not to waste oil as we always have. It's a crime to use it as we do nowadays.

Q: This curse we call oil.

A: I sometimes wonder whether that isn't indeed the case. So much has been written on the curse called oil and believe me: when one has it, on one hand it's an advantage but on the other it's a great inconvenience. Because it represents such a danger. The world could blow up on account of that cursed oil. And even if, like me, one fights the threat... You're smiling...

Q: I see you are smiling too now. You aren't looking so sad. What a pity we can't agree on the matter of the black lists.

A: But can you really be on the black list?

Q: If you don't know, the King of Kings, he who knows all... As I've told you, it's possible. I'm on everybody's black list.

A: What a pity. Or rather, it doesn't matter. Even if you're on my authorities' black list, I'll put you on my heart's white one.

Q: You frighten me, Your Majesty.

Oriana Fallaci, the Italian journalist, interviewed Mohammed Reza Pahlevi, the Shah of Iran, in his office in Teheran early in October of 1973. This was the fourth Fallaci interview to appear in *The New Republic*. The others were: Willy Brandt (October 6,

1973), Nguyen Van Thieu (January 20, 1973) and Henry Kissinger (December 16, 1972). This article originally ran in the December 1, 1973 issue of the magazine.