What Led the United States to Encourage Authoritarian Governments in Iran and Saudi Arabia?

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What Led the United States to Encourage Authoritarian Governments in Iran and Saudi Arabia?

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A Thesis in the Field of Middle East Studies
for the Degree of Master of Liberal Arts in Extension Studies

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Abstract

This study investigates the process by which the United States became the main supporter of authoritarian governments in Saudi Arabia and Iran during World War II. Prior to the war the U.S. had little involvement in the Middle East, but that changed during the war as America slowly but surely became a superpower all over the world. Additionally before the war the British were the main foreign backers of Reza Shah in Iran and the ruling monarchy in Saudi Arabia. However, the decline of British power all over the world resulted in Washington taking London’s place as the dominant world decision maker. This study demonstrates how the Americans took over the role of supporting these regimes from the British and how in some ways American support for these regimes made them even more authoritarian. The text explains how events in World War II caused this to happen and how it impacted the societies of Iran and Saudi Arabia as well as the future.
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Prior to World War II, the Persian Gulf region amounted to a backwater dominated by Great Britain with its political operatives and the Royal Navy patrolling its waters. Kuwait and other nearby, smaller Arab sheikdoms were under direct British control with ports as Aden, Muscat, and Kuwait City serving as fueling stops for the fleet. Great Britain viewed the region as important because of its proximity to British colonial interests in India, near various transportation arteries linking their vast empire, and the location of its primary oil investment.

On the Gulf’s western shores a relatively new country known as Saudi Arabia had emerged following the collapse of the Ottoman Empire at the end of World War I. A desert chieftain, Abdul Aziz Ibn Saud, also known as Ibn Saud, had led religiously zealous warriors in a conquest of much of the Arabian Peninsula. Proclaimed king of Hijaz and sultan of Nejd in 1926 made him in effect a monarch of two separate countries, which were united in 1932 and renamed the Kingdom of Saudi Arabia after the founding royal family. The wily Ibn Saud choose to title himself “king” and call his country a “kingdom” in order to appear more important to the British. He often used western terminology to gain greater diplomatic respect from the British, although a strict interpretation of Islam forbid the term “kingship” as a major attribute of God.

Centuries earlier in the time of the Prophet Mohammed loyalty to one’s tribe had been complemented by loyalty to Islam. Ibn Saud, like the Prophet Mohammed before
him, would also use religion to establish a more uniform culture and system of core
beliefs. Tribal loyalties influenced by Wahhabism, a fundamentalist sect with strict
interpretations of Islam, aided the twentieth century desert leader in establishing a viable
state.¹

Conquest of the peninsula resulted from the Saud family’s longtime close
relations with the Wahhabis who formed the bulk of Ibn Saud’s warriors; and it was this
alliance that led to the creation of the Saudi state. This new kingdom would be dominated
by fundamentalist religious practices and strict interpretations of religious dogma.

The Wahhabis were rewarded for their support of Ibn Saud as their doctrines and
beliefs comprised an integral part of society. Sunni Islam became the state religion of
Saudi Arabia from its founding with the Islamic declaration of faith set forth in Arabic on
the national flag. Ibn Saud possessed total authority in secular affairs, while the ulama,
Islamic scholars of the Sunni sect, dealt with religious matters. The ulama did not
challenge the House of Saud’s hereditary rule or its authority in nonreligious matters.

The Islamic belief that all men are equal within the Islamic community aided the
Saudi policy of subduing tribal and other rivalries in the interest of greater state unity and
authority.² Centralization promoted the interests of the feudal-tribal leadership by
allowing tribal leaders to maintain their authority in local matters. Although Ibn Saud
reduced tribal feuding, the new state apparatus also brought taxation and the beginning of

a military-bureaucratic establishment that restricted the nomads’ traditional sense of freedom.³

The new state centered around the king and functioned in the manner of a traditional desert principality. Except for Ibn Saud’s personal majlis, or council, where subjects were permitted an audience with him, there were no other formal governing institutions. Government barely existed beyond a handful of royal advisors, and the entire income of the state was regarded as the king’s personal property. Ibn Saud further consolidated his power by appointing relatives or trusted associates as governors of various provinces and court advisors.⁴

High-ranking court advisors were given titles similar to the British as minister of foreign affairs or minister of defense. This allowed foreigners some idea of various princes’ responsibilities within the government. Saudi Arabia has continued this practice with princes in the royal family heading up numerous government ministries over the years.

Some observers viewed the majlis as a form of democratic representation. While subjects could freely express their opinions or beseech the king for favors, they had no actual influence on his final determinations. While few supplicants went away empty-handed, actual policy making remained the king’s exclusive prerogative with a few trusted advisors assisting him.⁵

With total governing authority concentrated in the king, there were no elections or anything resembling an independent legislature aside from the handful of advisors. Abdul Aziz acted as the sole decision maker in a state where rival power bases or an independent judiciary were simply non-existent. By balancing competing interests yet maintaining his personal rule, Ibn Saud skillfully promoted the growth and authority of this nascent state.

Tribal leaders enjoyed regular access to the king reinforcing their support and providing a basis for recruiting warriors into the White Army (later renamed National Guard). Intermarriage between the House of Saud and families of various tribal leaders also bolstered the king’s authority with financial subsidies further increasing tribal dependence upon the state. While these subsidies promoted greater loyalty, they also constituted a large part of state spending creating a constant strain on available revenues. Ibn Saud would constantly seek additional funds for these subsidies whether from the British government, American oil companies, or pilgrims traveling to Islam’s holy sites. Meanwhile the Wahhabi ulama provided the philosophical underpinning to a society that supported the ruling family, did not challenge the increasing centralization of the state, and helped maintain the loyalty of the various tribes.6

Crime and banditry, chronic problems in the past, virtually disappeared as state tribunals influenced by Wahhabi doctrines stringently enforced Islamic law by mercilessly punishing wrongdoers. Merchants, pilgrims, and others were able to travel relatively freely without fear of harassment or being forced to pay tribute. Foreigners

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took note as Gerald de Gaury, a British military officer and fluent speaker of Arabic, praised the radical improvement in public safety that had occurred in a short period.\(^7\)

Notwithstanding these harsh doctrines and authoritarian practices, outside nations as Great Britain and the United States made little effort to change or influence the manner in which the kingdom was governed. This noninvolvement continued as Saudi Arabia evolved from an obscure and largely desert wasteland into a functioning nation-state that would become an important producer of oil for the world market. Stability in Saudi Arabia would make it easier for Great Britain, and later the United States, to preserve a status quo that served their own particular interests in the region.

In the years preceding World War II Great Britain had been the dominant foreign power in the Persian Gulf region as well as much of the world. The U.S., while an emerging world power, had few contacts with the Middle East much less the Persian Gulf region. Although the British did not possess formal political authority over his desert kingdom, Ibn Saud acknowledged and respected their power. British hegemony in the Persian Gulf region went generally unchallenged with the Royal Navy controlling the Gulf as if it were a British lake, pilgrimages by Muslims from British India, economic ties, and various treaties further binding Saudi Arabia to Great Britain. Focused on their newly developing oil interests, the Americans at this time amounted to only a minor presence in the region.

The year following the kingdom’s establishment the United States granted formal recognition followed by Standard Oil Company of California (SOCAL)’s acquisition of an oil concession on the Gulf shore. In awarding this concession, King Abdul Aziz

seemed to prefer the Americans to the British believing, unlike the British, they had no
interest in colonizing the country.⁸ He felt the American private entities were less likely
than Britain’s government-owned or controlled enterprises to threaten his rule. The king
also distrusted Great Britain because of its association with and past support for his
longtime Hashemite rivals to the north in Transjordan and Iraq. However, he also
recognized the British were by far the leading power in the region and wanted to avoid
antagonizing them.

The American discovery of oil in their recently acquired concession in 1938
stimulated the petroleum industry’s interest in Saudi Arabia. However, the U.S.
government remained a minor presence as lucrative profits from oil riches remained in
the future. With a market decline due to the worldwide depression and disruptions from
the deteriorating political events leading up to World War II, the 1930s were not the best
time for developing new oil discoveries. Saudi Arabia would have to wait until after
World War II for its oil production to have any significant impact in the world economy.⁹

While Saudi Arabia was of interest to those in the oil industry, most Americans
remained oblivious to the kingdom’s future potential. American isolationism continued
throughout the interwar period as U.S. contacts with Saudi Arabia remained minimal.¹⁰
American domestic oil production in the late nineteenth and early twentieth centuries
creating great fortunes such as John D. Rockefeller’s Standard Oil seemed sufficiently

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⁸ Rachel Bronson, *Thicker Than Oil: America’s Uneasy Partnership with Saudi Arabia* (New

⁹ David E. Long and Sebastian Maisel, *The Kingdom of Saudi Arabia*, 2nd ed. (Tampa: University
Press of Florida, 2010), 78.

¹⁰ Shafi Aldamer, *Saudi Arabia and Britain: Changing Relations, 1939-1953*. (Reading: Ithaca
Press, 2003), 11.
plentiful to supply future needs. If those reserves were not enough, the nearby oil resources of Latin America were also available.

Thus it was the British who possessed any significant, outside influence in Saudi Arabia, and that influence through maritime power, trade, treaties, and control of adjacent territory was more peripheral than internal. The British left Ibn Saud to his own affairs as long as his activities did not adversely affect their interests. For the Americans it had been the king’s decision alone to grant them oil concessions, and their operations proceeded without his interference. The isolationism of the U.S. government also allowed the American oil industry to concentrate on exploration and development. In any respect both countries had to respect Ibn Saud’s accession to power as a fait accompli.

Neither Great Britain nor the United States made any attempt to influence Saudi affairs beyond accommodating a ruler who governed in a decidedly undemocratic manner influenced by strict, fundamentalist religious doctrines. The British Empire provided much of the kingdom’s food and supplies while serving as its primary foreign trading partner. Recognizing that King Abdul Aziz’s increasing control helped bring stability to a region often afflicted by tribal rivalries and warfare, the British were willing to tolerate whatever shortcomings he might have.

In the years preceding World War II both the Americans and British would accommodate this new Saudi Arabian state in light of their own particular national interests. Nonintervention in the kingdom’s domestic affairs allowed the Americans to concentrate on establishing a base for their new found oil industry. Both Great Britain and the United States for their own reasons refrained from interfering with a new state
whose culture and way of life were so different from their own with none of the
democratic principles or freedoms they espoused or practiced.

On the Gulf’s opposite shore the ancient land of Persia, or Iran, had a long
history that set it apart from the rest of the Middle East. Possessing a proud independent
culture since its settlement by Indo-European tribes from Central Asia several centuries
before the birth of Christ, most inhabitants were not Arabs and spoke a language known
as Persian or Farsi, unrelated to Arabic. Persia, later known as Iran, had been independent
since the establishment of the Safavid dynasty in 1501 which imposed Shiite Islam as the
state religion.

Since the late eighteenth century the Qajar dynasty of shahs had ruled Persia with
absolute power. Decision making remained in the hands of the shah and a few trusted
advisors similar to the autocracy of Tsarist Russia. Strong authoritarian traditions were
long rooted in Persian society making the development and nurturing of democracy
difficult. According to M. Reza Behnam: “Acceptance of authority in the political realm
meant the dominance of a ‘strong leader,’ historically an autocratic monarch.
Unrestricted by law, institutions, or tradition, the absolute power of the shahs extended as
far as ambition, whim, or personal capacity permitted. Their autocratic rule encompassed
every group and stratum of society.” 11 Other than the shah and his court advisors only a
handful of wealthy, landowning elites and certain clerics had any degree of influence
during the early years of the twentieth century.

Increasing disgruntlement over power being in the hands of so few led to the
Constitutional Revolution of 1906 causing the reigning Qajar shah to sign into law

11 M. Reza Behnam, Cultural Foundations of Iranian Politics (Salt Lake City: University of Utah
Persia’s first constitution establishing an elected parliament known as the Majles. Although its members were elected, the Majles was hardly an egalitarian institution with many of its members coming from the elite, landowning classes. Persia, unlike Saudi Arabia, began to resemble a democratic society in rudimentary form, yet many of its prior authoritarian ways remained.

Throughout the Qajar period both Great Britain and Russia had maintained a prominent presence in Persia. The Anglo-Russian Convention of 1907 had arbitrarily divided Persia into zones of influence with the Russians in the north, the British in the south, and a neutral zone between them. During this same period the British discovered oil in their zone of influence and established what became known as the Anglo-Persian (later Iranian) Oil Company. Despite its name the company was based in London and operated exclusively by the British. Persians were relegated to employment as unskilled laborers while profits of the enterprise went to Great Britain. Conversion of the British fleet for fuel from coal to oil early in the twentieth century made this endeavor even more profitable as well as critical to the security of Great Britain and its empire.

Although neutral throughout World War I, combat had spread to Persia adding to an already unsettled political climate. After revolutionary upheavals in Russia led to withdrawal of its military forces, the turmoil and unrest continued in Persia following the war’s end. The instability of the early 1920s saw a military officer emerge to challenge the reigning Qajar monarchy. An illiterate, common soldier from a peasant background, Reza Khan would prove even more authoritarian than his Qajar predecessors. Crowning himself shah in 1926 while the reigning Qajar shah was out of the country, he took the
name Pahlavi for his dynasty and in 1935 changed the country’s name to Iran. Ruling as an autocrat known as Reza Shah, he would bring substantial changes to Iranian society.

Over some fifteen years, Reza Shah steadily increased the power of the state while asserting his personal authority over tribal chiefs, religious leaders, and the landowning elites. Often resorting to forceful measures, he controlled key segments of the economy while expanding the authority of the central government. Western ways and culture were also promoted alienating the Shiite clergy with authoritarian practices accompanying the expansion of state control.

Persia at the time of Reza Shah’s accession to power was a society of independent tribes, influential Shiite religious leaders, and a wealthy landowning elite who had been closely aligned with the previous Qajar dynasty. With the population as a whole beginning to experience the effects of twentieth century modernization, all these groups presented significant challenges to state authority and Reza Shah’s rule.

By the time of his coronation Reza Shah had effectively broken tribal resistance without losing popular support or causing the various tribes to unify against him. However, religious leaders proved more resistant to change as the clergy had not taken kindly to Reza Shah’s overthrow of the Qajars. He initially placated them by maintaining Shiite Islam as the state religion. However, his policies over the years would deeply anger clerical leaders.

Secular legal codes were adopted curtailing the power of the Shiite clergy while correspondingly increasing the power of the central government. A hierarchal system of state courts separate from the religious courts was established, but rather than an

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independent judiciary, these new judges carried out the dictates of Reza Shah’s government.

In addition to legal reforms, clerical influence in the National Assembly was reduced. Flagellation, a practice where Shiite men thrash themselves during religious processions in honor of the martyred Imam Hussein was discouraged. These and other secular measures limited power traditionally held by Iran’s clergy while increasing that of the throne. However, these changes added to enemies of the regime from religious elements and their supporters.

The size of the central government increased with many new positions requiring specific educational qualifications. This lead to a standardized, modern, and westernized professional class located primarily in Tehran. Banning trade unions and discouraging union activity among Iran’s nascent working class, Reza Shah had over 150 labor organizers arrested between 1927 and 1932. Political parties were eliminated, newspaper censorship employed, and outside political organizations discouraged by an authoritarian state which viewed any protest, disagreement, or independent thinking as a threat to its existence.

Through expropriation and forced land sales Reza Shah became the largest landowner in Iran. Like many rulers who view themselves as the sole authority of the state, he not only possessed virtually unlimited political power, but also exhibited the

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15 Abrahamian, *Iran between Two Revolutions*, 139.

customary trappings of such authority through vast landholdings, personal veneration, and absolute control of the military.

Access to education was expanded and the treatment of women liberalized with the first university established in Tehran in 1935 open to both men and women. Women were banned from wearing the traditional veil and directed to wear western style clothing. They were also encouraged to work outside the home. Measures affecting women amounted to dramatic social changes at all levels of society, were largely unpopular, and proved difficult to enforce.

The regime also established state-run factories, communication systems, banks, and even department stores. However, these state-induced efforts suffered from over-centralization and bureaucratic inefficiency, as peasant masses barely subsisted in their marginal pursuits. The extension of state control into political and economic life while slowly modernizing and westernizing Iran did little to curtail the authoritarian nature of government that had existed for centuries under the Safavid and Qajar shahs.

Modernization under Reza Shah made Iran even more authoritarian.

Reza Shah viewed power in personal terms trusting no one as imprisonment, torture, and even murder of political rivals became common practices. Although a nationalist, modernizer, and westernizer by eroding the influence of the clergy; he angered secular liberals with his political repression and failure to rule as a constitutional

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17 Keddie, Roots of Revolution, 108.

18 Abrahamian, Iran between Two Revolutions, 140.

19 Keddie, Roots of Revolution, 101.

monarch.\textsuperscript{21} As a result of these actions his enemies increased over the years eroding popular support for the regime. By the time he was forced by the British and the Soviets to abdicate the throne early during World War II hardly anyone objected.

Iran became a centralized bureaucratic state with national unity established and maintained by force. Instead of electing members of the Majles as previously, its members were hand-picked, and most came from the elite, land-owning classes. Reza Shah built roads and government-owned factories throughout the countryside with the Trans-Iranian railway completed in 1937 under his direction. To pay for this modernization and expansion, he eschewed foreign loans increasing the financial burdens on the people through higher taxes.\textsuperscript{22}

While his overriding goal had been asserting greater Iranian independence, the British continued to maintain significant influence and power. As time went on the Russians, now the Soviet Union, began reasserting their former role in Iran’s north where traditional economic ties and ethnic similarities existed. Seeking to offset the influence of these long-time foreign powers, Reza Shah began courting German interests as well as those of other nations including the United States. With Adolf Hitler’s rise to power in Germany, he even began to show an interest in fascist ideology and practices.

With the traditional British and Russian dominance and Germany’s growing presence, few Iranians were even acquainted with Americans aside from occasional governmental, educational, or philanthropic endeavors. Most Americans were isolationists during this period, and the views of those few acquainted with Iran often


\textsuperscript{22} Behnam, \textit{Cultural Foundations of Iranian Politics}, 28-29.
differed significantly. Among the Americans familiar with Iran were William Shuster, who served in Iran as a financial expert early in the twentieth century, and Arthur Millspaugh, an economist who headed two separate advisory missions. Shuster respected Iranians, while Millspaugh viewed them in the manner of many British colonial officers as an immature people needing Western tutelage. However, Millspaugh’s views did not diminish his importance as some believe the financial benefits of his initial advisory group indirectly aided Reza Shah’s consolidation of power and helped lay the foundation for his authoritarian rule.

Great Britain’s influence also included significant interests in Iran’s slowly modernizing economy. Through the Anglo-Iranian Oil Company London controlled virtually all of Iran’s oil production with few benefits from this enterprise enjoyed by the Iranian people or their government. The British were also involved in finance, communications, transportation, and other key aspects of Iran’s economy reflecting a smaller scale version of the Raj in colonial India and adding to their long-standing political influence. The Soviet government, less active than its tsarist predecessors, generally confined its interests to those parts of Iran near its border, while Germany steadily expanded its commercial and political presence.

Iranians remained distrustful of the British because of past interventions in Iran’s affairs. According to Homa Katouzian: “On the whole, there was little difference in the attitude and sentiments towards western powers between the shah and the wider political

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public. Both feared Britain and regarded it with deep suspicion. When Reza Shah overthrew the Qajar monarchy, his assent to power was thought to have been approved, if not backed by the British; and he was constantly under the watch of their political operatives reporting both to London and India. Although desiring true independence, Reza Shah had to adopt policies that avoided antagonizing the British and Russians, who retained considerable influence.

Although the British controlled oil production and other major economic enterprises, they did surprisingly little to influence Iran’s domestic affairs. Notwithstanding, Reza Shah’s suppression of democracy, there is no evidence the British discouraged his autocratic rule. It appeared as long as he accommodated their economic and political interests in a fashion similar to his Qajar predecessors, they would not interfere.

British support for Reza Shah remained steadfast and would continue until events during World War II dictated otherwise. The Royal Navy dominated the Persian Gulf, and British military power controlled Iran’s borders to the west and east. Their presence in Iran’s economy only added to Britain’s influence over Reza Shah and his decisions. The British fully recognized they had brought Reza Shah to power, kept him there, and any misdeeds of his regime would fall upon them. It was an alliance of convenience as Great Britain, a liberal democracy, supported an authoritarian regime in order to maintain

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control of oil production and to protect its other imperial interests. A stable Iran subservient to Great Britain was crucial to the security of the empire and resulted in a mutual understanding, if not de facto alliance, of interests between London and Reza Shah’s authoritarian regime. Only World War II and concern for the growing German influence in Iran and the Persian Gulf region would end this relationship.

Policies in Iran paralleled British relations with Saudi Arabia. As in Saudi Arabia, oil production was controlled by Western business interests, though in Iran by a company controlled by the British government instead of American private entities as in Saudi Arabia. Another important difference was that the American oil companies in Saudi Arabia returned significant revenues to the Saudi government, while in Iran the British retained the vast majority of the country’s oil profits. However, the political dynamic was almost a perfect match as in both Saudi Arabia and Iran authoritarian governments were supported by London in the interests of maintaining regional stability. Other Western interests, particularly the U.S., saw no reason to disturb this arrangement.
Chapter 2

World War II

This chapter discusses World War II and the impact that the war had on the Persian Gulf region. More specifically it discusses how events from the war impacted the region in such a way that they lead the United States, a largely isolationist country before the war, to replace the British as the main foreign power in the Middle East. In doing so the Americans would replace the British as the main supporters of the authoritarian regimes in Saudi Arabia and Iran.

Introduction

At the beginning of World War II authoritarian governments and societies existed in both Iran and Saudi Arabia and remained so when the conflict ended. The Persian Gulf amounted to a mere sideshow of the war with the only significant combat being an Italian air raid on oil facilities in Saudi Arabia causing little damage and an Anglo-Soviet invasion of Iran that lasted only a couple days. However, the war served as a transition period for this oil-rich region ushering in a new foreign presence, the United States of
America. Yet when the conflict ended the structure of society or government in either place had changed little at all. What had changed was a realization of oil wealth in Saudi Arabia beyond all imagination and a continuation in Iran of contention between foreign powers.

Outbreak of War and the Persian Gulf

War broke out in Europe in September 1939 as Nazi forces aligned with the Soviet Union attacked and easily overran Poland. Among the consequences of this Nazi-Soviet alliance were even closer relations between Germany and Iran as well as the increased interest of the Soviet Union in the Persian Gulf region. The war threatened the British and French Empires with the Middle East critical to both colonial powers. Renowned English historian Arnold Toynbee, who would write strategic assessments for British Prime Minister Winston Churchill during the war, called the region a fulcrum for three continents as well as the shortest route between Europe and Asia. Both Saudi Arabia and Iran were key parts of this fulcrum, the former within Britain’s sphere of influence and the latter a place of contention between the British and the Soviet Union or Russia.

Between the continental empire of Tsarist Russia and British colonial possessions to the south and east, Iran or Persia was located geographically in a region where these

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powers had long competed for political advantage in a struggle known as the Great Game. On the opposite shore of the Persian Gulf adjacent to communication and transportation arteries linking global interests of the British Empire lay the Arabian Peninsula. Great Britain had long promoted stability in the Persian Gulf region through an informal protectorate in Iran, diplomatic initiatives with the newly established Kingdom of Saudi Arabia, and the ever vigilant presence of the world’s strongest navy. Oil in Iran served as the primary source of fuel for the British fleet and the holy cities in Saudi Arabia were pilgrimage destinations for Muslims from British India.

These pilgrimages provided a major source of income for Saudi Arabia and its king, Abdul Aziz Ibn Saud (Ibn Saud). However, the worldwide depression of the 1930s had greatly reduced the number of pilgrims, and the outbreak of World War II further limited the revenues realized from these travels. Ibn Saud had only recently established Saudi Arabia through a series of conquests of numerous itinerant tribes, and his primary means for maintaining their allegiance was through payments to various tribal chiefs. The loss of revenue had forced the British to subsidize the king in order to maintain the precarious stability he had brought to the peninsula. These subsidies also reflected a British concern for Germany’s growing interest in the region under its dynamic new leader, Adolf Hitler.

The discovery of oil in Saudi Arabia’s eastern province in 1938 by American entrepreneurs offered hope of future financial returns, but the effects of war would stymie any meaningful exploration or production. The limited financial resources threatening the kingdom’s stability and survival were occurring at a time the British under the increasing stress of wartime conditions were facing financial challenges of their own.
Notwithstanding this dependence on a single outside power, Ibn Saud opted for neutrality at the outbreak of the war. Many throughout the Middle East favored the Axis hoping they would do away with the existing Anglo-French colonialism. The Saudis’ ambiguous posture troubled the British who were hoping their subsidies would also buy the king’s loyalty.

Americans had few dealings in the region prior to the hostilities in Europe, although the U.S. government had recently upgraded its presence in Saudi Arabia by accrediting its resident minister in Cairo, former Judge Bert Fish, as representative also to the kingdom. This appointment reflected the presence of a vast oil concession the king had earlier awarded to the Standard Oil Company of California (SOCAL), whose drillers and technicians, known as the “Hundred Men,” had been working to develop the potential resources of that concession along the peninsula’s eastern shore.

Coming to power through a military coup in Iran, Reza Shah had attempted over some twenty years to establish a strong, centralized government under his virtual one-man rule. However, because of its location the British and the Soviet Union exercised pervasive and sometimes overwhelming influence in this backward land. While many Iranians resented Reza Shah’s dictatorial ways, they supported his efforts to assert Iran’s independence from these two foreign powers.

A stronger, more effective central government had enabled Reza Shah to curb the independence and influence of various and powerful tribes the British had supported over the years. The authoritarian measures he imposed fell on fertile ground as democracy and economic advancement had never been part of Iran’s culture or society, and concentrated wealth had long been in the hands of a few absentee landowners, bazaar merchants, and
industrialists known as the “Thousand Families.” While this illiterate former Cossack military officer had succeeded in reducing the influence of these elites, they would remain in the background and later resurface to assert their former status in society.

Oil had been discovered in Iran at the turn of the century with the Anglo-Iranian Oil Company (AIOC), a British-owned company, engaged in producing this resource for both market and military use. Employing thousands with the world’s largest refinery at Abadan near the Persian Gulf, AIOC operated virtually as a separate entity of the British government under British colonial officers and technicians from India. The British had long treated Iran as an informal protectorate, yet growing Soviet interest in a manner similar to their tsarist predecessors was becoming readily apparent. The uneasy equilibrium between these powers had left Iran nominally independent at least for the time being.

Iranians resented the overbearing presence of the British but distrusted and feared the Russians even more. The Soviet occupation of eastern Poland and later invasion of Finland raised concerns of a similar thing happening to them. An uneasiness following the Soviet Union’s armistice with the Finns prompted Iran to negotiate a commercial treaty with its northern neighbor in hopes of establishing better relations. However, any goodwill soon vanished when the Soviets sought unrestricted access to Iran’s airfields claiming they needed to protect their oil resources in Baku and Batum from what they perceived as potential threats.

Reza Shah hoped the closer relations he had fostered with Germany during recent years would protect Iran from this growing Soviet threat. However, the Soviet Union was also counting on German support to promote its own goals in the region. When visiting
Berlin within a year after the occupation of Poland, Soviet Foreign Minister Vyacheslav Molotov pointedly emphasized the Soviet Union’s future interest in Iran and the Persian Gulf. This confirmed an earlier American analysis that the absence of a German threat along its western borders would lead to a greater Soviet interest in Iran. Meanwhile the Soviets had already started to foment separatist activities among the Azeri Turks in Iran’s northwest, an ethnic group that had been virtual co-founders of the Iranian nation-state when established under the Safavid dynasty in 1501.

At this same time the United States took its first halting steps toward defending itself in light of the threatening world situation. Seeking an unprecedented third term as president and following a tour of a massive armaments facility in South Charleston, West Virginia (the author’s hometown), United States President Franklin Roosevelt in September 1940 announced a transfer of destroyers to the British for American use of British military installations in the Western Hemisphere. This unprecedented exchange paved the way for a later similar endeavor that came to be known as Lend-Lease, a program that would provide aid to countries opposing the Axis powers and have an enormous impact during the course of the war in both Iran and Saudi Arabia.

Expanding War Threatens the Middle East

1941 proved a turning point in the war with Nazi Germany’s invasion of the Soviet Union and Japan’s surprise attack on U.S. naval facilities in the Pacific Ocean. British losses in North Africa and the Nazis’ eastward thrust threatened the Allies’ hold on the Middle East bringing greater attention to the security of Saudi Arabia and Iran.

American oil interests began advocating direct U.S. government aid for Saudi Arabia and an increased diplomatic presence. This led to Judge Fish’s first visit to Jidda and an increased awareness by President Roosevelt of the difficulties private enterprise faced in this isolated, foreign environment. There was also concern without adequate financial support Saudi Arabia might side with the fascists.

Ibn Saud governed the Kingdom of Saudi Arabia in a very personal manner with members of his family ruling each of the four provinces of Najd, Hijaz, Hasa, and Asir all with considerable autonomy. Nearby sea and air routes, Muslim holy cities, and the adjacent protectorates of Aden, Kuwait, and Oman, made friendly relations with Saudi Arabia critical to the British. Foreign Minister Anthony Eden, who had studied the Middle East at Oxford and spoke passable Arabic, recognized the importance of continuing to subsidize the king.\(^3^0\) American involvement in Saudi Arabia, aside from the nascent oil concession, was barely existent.

Union Pacific Railroad heir Averill Harriman, independent troubleshooter and personal envoy for Roosevelt, urged a repair and supply post be established in Eritrea at

\(^3^0\) British National Archives. May 27, 1941. War Cabinet: Our Arab Policy: Memorandum by the Secretary of State for Foreign Affairs; accessed July 30, 2014.
the southern end of the Red Sea across from Saudi Arabia, and following British successes against the Italians in East Africa, also recommended removing the Red Sea and Gulf of Aden from combat zone status. This change was little noticed at the time because it had occurred when Roosevelt had taken the controversial step of extending the U.S. security zone further east in the Atlantic. However, Harriman’s recommendation allowed U.S. flag vessels to supply British forces in the Middle East directly and over time would significantly add to the Americans’ presence and influence in the region.

Despite his own prior experience with the oil industry and desire for a greater U.S. presence in the Middle East when pushed for direct U.S. aid to Saudi Arabia, President Roosevelt demurred. He felt the British could take care of the king of Saudi Arabia saying the desert kingdom was a little far afield. Differences between the two democracies existed as the British opposed Roosevelt’s appointment of Alexander Kirk to replace Judge Fish as minister to Saudi Arabia concerned of any increase in American influence in a place they had long regarded as within their exclusive sphere of influence.

The Nazi invasion of their erstwhile Soviet allies in June 1941 would have a shattering impact on Iran, the consequences of which would continue beyond the end of the war. The attack brought Britain into an alliance with the Soviets prompting Churchill’s memorable comment of having favorable words for the devil should Hitler invade hell. Realizing a need to provide supplies to their new Soviet allies, the British recognized Iran presented one of the more favorable potential supply routes available. Although not yet engaged in the conflict, the U.S. also realized the importance of

supplying the Soviet Union; and over considerable domestic opposition Roosevelt announced the Neutrality Act would not apply to the embattled Soviets.

Supplying the Soviet Union through Iran by what became known as the Persian Corridor presented numerous challenges. One of Reza Shah’s best known projects had been the state-funded construction of a south-north railway from the Persian Gulf toward Iran’s northern border. Although the British would have preferred an east-west route, both for their own independent goals as well as discouraging Soviet interest in the Persian Gulf, the railway constituted the costliest construction project in the world at that time. An engineering marvel of its day, it traversed some of Iran’s roughest terrain with numerous, lengthy tunnels through towering mountains. With roads barely serviceable or nonexistent, what many viewed as Reza Shah’s most remarkable accomplishment became essential to supplying the Soviet Union.

An additional obstacle was the lingering presence in Iran of numerous German nationals. While most were technicians or commercial representatives, a significant number had military or intelligence backgrounds, and the British as well as the Soviets were concerned they represented a potential threat to the security of any supply route. Despite multiple efforts to convince Reza Shah otherwise, he resisted expelling or detaining them and remained stubbornly sympathetic to the Nazi regime.

Prior to his first ever official meeting with Roosevelt in the summer of 1941 at Placentia Bay in Newfoundland, Churchill had already secretly approved plans for an invasion of Iran in conjunction with the Soviet Union to eliminate the German influence. At this same meeting these leaders of the world’s two great democracies also announced what was known as the Atlantic Charter. Recognizing the sovereign rights of nations, this
proclamation ironically occurred just prior to an invasion of a neutral, independent, and virtually defenseless country. Leading up to the attack the British Broadcasting Corporation (BBC) enlisted local radio stations in Iran to denounce Reza Shah in diatribes prepared by Mideast scholar Anne Lambton that criticized, among other things, the vast personal wealth and numerous properties he had accumulated during his reign.

The Iranian military offered little resistance with the British invading from the south and west and Soviet forces from the north. Reza Shah’s continuing allegiance to Germany, his refusal to expel its nationals, and the British inspired propaganda all contributed to his being forced to relinquish the throne. Realizing an immediate need for stability and lack of a suitable, readily available replacement, the invaders settled upon his son and heir, the 22-year-old Mohammed Reza Pahlavi, a European-educated, junior military officer. Although the father had appealed to Roosevelt at the time for assistance, the American president allowed events to take their course, and Reza Shah would die in exile before the war ended.

Recognizing at least some of his father’s liabilities, the new shah very early freed a number of political prisoners, transferred much of his father’s property to the state, and formally proclaimed a constitutional monarchy. 

However, he also exhibited some of his father’s authoritarian traits leaving a majority of ministerial posts in the hands of wealthy landowners.

Meeting in Moscow to discuss aid for the Soviet Union, Soviet leader Joseph Stalin expressed concern to top Roosevelt aide, Harry Hopkins, and British

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33 Ibid, 107.
representative, Lord Beaverbrook, over the adequacy of Iran’s transportation facilities. Although longer than other supply routes, the Iranian route was the most secure especially following Reza Shah’s abdication. Hopkins acknowledged some of the challenges to this undertaking relating to U.S. Secretary of State Cordell Hull that Iran was very backward with a tribal culture of ninety-nine percent in bondage to a wealthy elite of one percent.34 U.S. troops were soon arriving to help to set up the supply route, and Lend-Lease would be extended to the Soviet Union eventually becoming its primary source of outside supplies.

Concern for the security of the Middle East increased when Erwin Rommel, a skilled German general, forced a British retreat to the western borders of Egypt threatening the Suez Canal. Further north the Nazi invasion of the Soviet Union was approaching the Caucasus beyond which lay Iran and the Persian Gulf. The Americans prepared contingency plans for destroying their oil facilities in Saudi Arabia, while fascist-leaning conspirators and sympathizers were active in Iraq and Syria as the Germans’ continuing momentum threatened the Middle East.

Even before the war, experts had suspected the Middle East possessed vast, untapped oil reserves, and the fighting had seen an increased use of oil for gasoline-powered vehicles as tanks, planes, ships, and land transport of all types. Fuel needs were thought to have caused the German invasion of Romania and influenced the decision to attack the Soviet Union. Actual shortages would occur in Great Britain over the course of the war with the Allies increasingly aware of the need to maintain adequate supplies of

the precious resource. Often said that an army traveled on its stomach, the modern, mechanized version traveled on oil as well.

1941 concluded with a Japanese surprise attack on American naval facilities at Pearl Harbor in the Pacific followed by Germany’s declaration of war on the United States. Following the invasion of the Soviet Union earlier in the year, the war was now truly global in scope and would lead to increased activity in the Middle East.

Equilibrium in the War Creates Stalemate in the Middle East

1942 opened with a valiant and successful Soviet defense of their capital only to have the Nazis resume their offensive in the spring continuing to threaten the Persian Gulf. In North Africa the British were unsure of defending Egypt successfully from further assaults by Axis forces, while in the Far East the Japanese were advancing almost at will.

Although the previous summer Roosevelt had regarded Saudi Arabia as a little too far afield, Alexander Kirk replacing Judge Fish as U.S. envoy to Saudi Arabia opposed the British continuing to use U.S. funds to support Ibn Saud saying it gave them an unfair advantage.35 In developing an overall strategy for conducting the war, Great Britain agreed with the United States that it would have responsibility for the Middle East, the Americans in the Pacific, and both would be responsible for the Atlantic and Europe. In

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this vein Britain continued as a “middle man” administering all requests for aid to Saudi Arabia through London or their office in Jidda.

Notwithstanding this division of responsibilities, American planners and policy makers quickly recognized the strategic importance of the Arabian Peninsula and Persian Gulf with their proximity to critical air and sea routes particularly east of the Suez Canal as a staging area for supplies to the Soviet Union. Prior to the war private American oil interests, not the U.S. government, had primarily engaged with Saudi Arabia. Yet despite their own government’s wartime alliance opposing the Axis powers, these same private interests were concerned the British would gain an upper hand in a place where they had made substantial capital investments.

In April 1941 James A. Moffat, chairman of SOCAL’s Board of Directors and longtime social acquaintance of the president, met with Roosevelt seeking a cash advance for Saudi Arabia from the U.S. government of one million dollars annually for five years.36 Aware of the company’s concern over the future of its investment in Saudi Arabia, Roosevelt wanted to be of assistance as well as support the financially strapped Saudi king. Yet while the U.S. and Great Britain competed for influence in Saudi Arabia during the war particularly over oil, there was never any debate about the existing form of government in the kingdom. Neither Washington nor London would question the nature of Saudi Arabia’s absolute monarchy, although a top Roosevelt aide would later acknowledge it was hardly a democracy.

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What consolidation and centralization of government functions that occurred in Saudi Arabia during the 1920s was due to Ibn Saud, not the public or the middle classes as in the West. While on the surface of the Saudi government there may have appeared to be certain Western features, these amounted to a mere façade as tribal customs remained the governing ethos. These customs gave the appearance of transparency and participation in governing, but in actuality King Ibn Saud and his closest advisors and family members made all decisions of any importance.

Riyadh, the capital, located in the center of the peninsula, was isolated from outside influence, while foreign consulates were in Jidda on the Red Sea in the more cosmopolitan area of Hijaz influenced over the years by pilgrimages to the holy cities of Mecca and Medina. More similar to the urban areas of the Middle East as Cairo or Damascus, the people of Hijaz never fully acclimated themselves to the harshness of Saudi and Wahhabi rule emanating from the more remote capital.

Synonymous with the Arabian Peninsula as India and its subcontinent, Saudi Arabia consists of a geographically nebulous network of oases separated by vast waterless tracts of desert. The extremist Sunni Muslim religious movement known as Wahhabism rose from Najd in the peninsula’s stark interior and never embraced outside influences. Ibn Saud harnessed the energy of this movement to establish a considerable degree of control over the various tribes. He consolidated his authority through familial connections, financial inducements, and military force creating a patriarchal regime based upon loyalty to himself and his family. Using religion to legitimize his rule, he exercised a highly personal system of governance that combined traditional practices with newer, rudimentary institutions of authority. While administration of justice could be shocking,
swift, and brutal, it was also viewed that any mercy might easily be misunderstood by the primitive people living there and lead to anarchy.

The Allies had both immediate and long-term interests in seeing that Saudi Arabia remained stable. This made financial assistance critical as Ibn Saud used these funds to keep tribal leaders supporting him, and which the Allies viewed as being in their best interest. Well aware many Arabs favored the Axis powers, it was not overlooked that Ibn Saud had treated various German visitors favorably prior to the outbreak of the war and remained uncommitted while the war outcome remained in balance.

The Allies also believed any type of military occupation would raise concerns and distrust among the inhabitants. The suspected vast potential of the oil reserves in Saudi Arabia encouraged the desirability of a stable political environment. Thus, financial subsidies to the reigning monarch who had successfully conquered and consolidated the peninsular tribes remained the best, and probably only, option for the Allies at the time. Maintaining stability in Saudi Arabia, not interfering with how it was governed, remained the Allies’ priority.

In early 1942 the Americans took steps to increase their presence beginning with an agricultural mission headed by geologist Karl Twitchell dispatched to Saudi Arabia upon the recommendation of William Donovan, a New York lawyer, Roosevelt had selected to head the Office of Strategic Services (OSS), precursor to the Central Intelligence Agency (CIA). Carlton Coon, a Harvard anthropologist and secret OSS operative as well, also urged U.S. support for the Saud family although he distrusted the influence of St. John Philby, a former British foreign service officer who had befriended the king. A small, but soon to be influential section of the State Department, the Near
East Africa Division (NEA), recognizing the potential of oil and the competing interests of the British, began to promote measures calling for greater U.S. involvement in the peninsula.

Jesse Jones, Secretary of Commerce whose department administered government loans, was skeptical about lending money to Saudi Arabia. However, the Arabic speaking James Moose, appointed charge’ d’affairs to Jidda in May 1942, viewed the private American oil concession in the long term interests of the U.S. as did Max Thornburg, a former oil executive serving in the U.S. government. Those few American oilmen remaining in Saudi Arabia moved by the poverty they observed would provide periodic food supplies to the inhabitants also believing future profits depended upon the natives’ peace and contentment.

American policy makers viewed the Persian Gulf region as critical to the immediate war effort as well as for its future oil potential. This included Iran where the Americans distrusted both the British and Soviets, only the Soviets a little more. Following the Anglo-Soviet invasion and Reza Shah’s abdication, the invading forces had occupied Iran with Soviet forces in the north, the British in the south, and a neutral zone between them with units from both armies occupying Tehran, the capital and biggest city. Following the son’s accession to the throne the prime minister, Mohammed Ali Forughi, was able to negotiate an agreement calling for the occupiers to respect Iran’s sovereignty and to vacate the country within six months after hostilities ended. While the U.S. was never a signatory, it would nevertheless abide by these terms throughout the duration of the war.

Upon his assumption to the throne the 22-year-old shah possessed two important human assets in his twin sister, Ashraf, who would buoy him over the years with her fierce willpower, and Forughí, the sagacious prime minister, who had succeeded in keeping Iran intact despite the numerous encroachments upon its sovereignty. In the young shah’s first radio broadcast he would call for national unity and a democratic form of government, themes he would espouse constantly throughout the war years.

Reza Shah’s abdication had seemed a release from the harsh dictatorial rule of some twenty years and was viewed with euphoria by many. However, instability immediately erupted as tribes reasserted their prior independence, brigandage increased, and religious leaders strove to regain ground lost under the shah’s father. Newspapers and political parties proliferated, and while many viewed this period as Iran’s democratic awakening; chaos, instability, and lawlessness became epidemic in a society that by nature remained inherently authoritarian.

Amidst the tumult many foundations of Reza Shah’s prior despotism remained with wealth still in the hands of a few, the military and police controlled by the state, and numerous authoritarian practices and habits still existent. The wartime foreign occupation also led to destabilizing economic conditions with many Iranians preferring the certainty, even if undemocratic, of the old ways of doing things. The youthful shah assured Louis Dreyfus, head of the American legation, of Iran’s friendship believing the U.S., while not yet a combatant would play a key role in any future peace settlement.

Yet within days of Reza Shah’s abdication, the Americans were concerned over Soviet activities in their occupation zone.38 Notwithstanding representations to respect

Iran’s integrity, the Soviet Union increased support to Azeri and Kurdish separatist movements and began to administer its occupation zone like enemy territory. The occupiers exported farm products and manufactured goods customarily produced for domestic use in Iran to the Soviet Union; and while there were several causes for subsequent grain shortages, this deliberate dislocation of the economy amounted to a primary factor. Foreigners were automatically banned from the Soviet zone, and propaganda initiated especially targeting the peasantry. Iranian police units were also severely restricted, and those Iranian government officials viewed as unsympathetic to the occupiers weeded out. Communist Party members imprisoned under Reza Shah were released, and the Tudeh (Masses) Party, pro-communist and sympathetic to the Soviet Union, was established.

The British occupation, perhaps in keeping with Prime Minister Churchill’s own character, followed the old British colonial system of treating Iran as part of the British-India sphere of influence. With native troops from India enforcing their policies and directives, the British tended to back more conservative elements as tribes, religious zealots, and the monarchy against those seeking changes of a more democratic nature. Cloaked under a veil of wartime unity, the age-old conflict in Iran between these outside powers continued.

Reza Shah’s abdication had also resulted in numerous nationalists, Muslim fundamentalists, and communists being released from prisons or returning from abroad, and few, if any, would be friendly to the son of the tyrant who had imprisoned or exiled them. The Iranian Parliament, or Majlis, emerged as a clamorous, if largely ineffective, forum for diverse political expression, agitation, and demands. However, this legislative
body was never organized or motivated to function in a manner likely to sustain effective parliamentary governance.

In 1942 the U.S. declared Iran, a non-combatant like Saudi Arabia, eligible for Lend Lease relief, and that same year American advisory missions arrived to assist the Iranian government. Encouraged by the British, yet resented and obstructed by the Soviets, among the more prominent of these advisors were Major General Clarence Ridley, attached to the Iranian army, and Norman Schwartzkopf, former head of the New Jersey State Police, advising the rural police. Known for his role in the Lindbergh children kidnapping case and whose son would command coalition forces in Operation Desert Storm in Iraq some fifty years later, Schwartzkopf’s mission continued even after the war had ended. Another prominent American advisor, economist Arthur C. Millsbaugh, had served previously in Iran as a financial expert in the 1920s. However, his later effort in the same general capacity met sustained opposition from various Iranians, including the shah, as he attempted to infuse fiscal and administrative discipline into a government that seemed inherently resistant to such changes.

Also in Iran were American forces of the Persian Gulf Supply Command under the command of General Donald Connolly, a personal friend of presidential aide Harry Hopkins. Numbering 30,000 troops with approximately 70,000 Iranians hired in support, this non-combat unit was charged with bringing supplies from the Persian Gulf through the rugged mountains and arid deserts northward where they were then transferred to their Soviet counterparts who took them on to the Soviet Union. It is estimated over a quarter of the supplies reaching the Soviet Union came by this route. These American GIs brought with them all the pros and cons common to garrison duty troops. While
Iranians seemed to like the open and friendly Americans better than the stiff British or brusque Russians, their conduct often exasperated Dreyfus, particularly behavior toward Iranian women. Military police became a common sight dealing with constant thievery by locals or drunken soldiers.

The effects of the war and foreign occupation with their accompanying economic problems led to severe grain shortages that approached famine conditions in some parts of Iran. Already high prices were exacerbated by the Allies paying their troops in Iranian currency insisting the government increase the amount of money in circulation. Although the prime minister and shah objected, they were powerless to resist the occupiers’ demands. Notwithstanding their nominal status as independent allies, the Iranians understandably thought of themselves as a conquered people.

The escalating inflation led to hoarding of agricultural products, and the transportation dislocations caused by Soviet practices in the more fertile North added to the grain shortages. This caused rioting in Tehran and other urban centers over the lack of bread as the shah contemplated martial law to quell the disturbances, an early indication of his mindset after barely a year as monarch. The Americans and British quarreled over causes and solutions to the chronic bread shortages, a staple of the Iranian diet, yet joined in seeing that wheat was imported from aboard for the starving populace.

The turmoil lead the shah to reach out to elements of the clergy, although previous enemies of his father, and the British and Soviets tried to influence events in their respective zones through stern, uncompromising Soviet political officers and “Colonel Blimp” types typical of the British. Not confined to any particular geographical region, the Americans also sought to help as Iran teetered on the brink of total
disintegration. Dreyfus’s wife was highly regarded for her charitable work, and an Irish American political officer fluent in Farsi, Gerald P. F. Dooher, attempted to calm the increasingly restive tribes. The U.S. government also tried to take advantage of the goodwill the Presbyterian Church had generated over the years with its schools and hospitals throughout Iran. Students from Elburz College, a secondary school in Tehran, achieved such prominence as many of its graduates would later become a who’s who in Iranian society during the 1940s and 1950s.

Notwithstanding the pervasive influence and presence of these foreign powers, American scholar James Bill regarded the Iranians’ role in the political life of their country as even more significant than that of these outsiders.\(^{39}\) Iran had managed to retain its independence in spite of invasion and wartime occupation and would continue to do so for the war’s duration and beyond. However, the oppressive and simultaneous presence of three foreign powers could not be ignored or denied.

Dispatching their own troops to restore order the British persuaded the shah to appoint as prime minister, Ahmed Qavam, a veteran political figure from the past. Although viewed as untrustworthy and without democratic convictions, his appointment would be regarded as the last serious attempt by the traditional landed elite with ties to the previous dynasty to corral the Pahlavis.\(^{40}\) However, as the tumult persisted the British and Americans would increasingly side with the young shah in hopes of preserving some


degree of order, stability, and influence. Iran had become so chaotic the Americans even feared for the safety of their oil investments in nearby Saudi Arabia.\textsuperscript{41}

The growing American presence in Iran was also causing tension with both the British and Soviets who had been used to having their way. Relying upon his railroad legacy, Harriman had persuaded Roosevelt the U.S. should take over full responsibility for the Persian Corridor. Concerned over a future Soviet threat, some Iranians wanted the Americans to assume responsibility for transporting goods all the way to the border with the Soviet Union.

While the new shah had yielded a great deal of authority to the Majlis he steadfastly retained and expanded his control of the military regarding it as the bedrock of his rule and the country’s future. More than anything this would allow him a distinct advantage over others competing for power and influence during this period.

Changes in the War’s Momentum and the Persian Gulf

In early 1943 Roosevelt and Churchill met in Casablanca, a conference Stalin declined to attend with the Soviets on the brink of their monumental triumph at Stalingrad on the Volga River. This Soviet victory and the Axis retreat in North Africa following their defeat at el-Alemein would have repercussions throughout the Middle East including the Persian Gulf. Soviet policies in their occupation zone became harsher,

while the British, and particularly the Americans, became even more aware of the enormous potential of the oilfields in Saudi Arabia. With the immediate military goals of the outside powers in the region starting to recede, long term traditional interests began to take priority.

Competition between the Americans and British over oil increased as Secretary of Interior Harold Ickes advised Roosevelt the Saudi oilfields were potentially the richest in the world also warning of British intentions to preserve and even expand their influence. American oil company executives had been urging Ickes that the U.S. should provide direct government aid to Saudi Arabia as opposed to continue funneling aid indirectly through the British. Meanwhile the State Department increased its advocacy for a more active government role in support of the future potential of American oil investments in the desert kingdom.

On February 18, 1943, President Franklin Roosevelt signed Executive Order Number 8926 approving Lend Lease aid for Saudi Arabia stating although the kingdom was not engaged in the war, its defense was necessary for the defense of the United States.42 This led his top aide, Harry Hopkins, to wonder how it could be explained Arabia was a democracy and victim of fascist aggression.43 Jesse Jones questioned how the national interest was served by providing financial assistance to a backward and

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43 Benoist-Mechin, Arabian Destiny, 229.
corrupt place like Saudi Arabia.\textsuperscript{44} However, aid was approved by the U.S. Congress without any questions asked.\textsuperscript{45}

Lend-Lease to Saudi Arabia continued until 1946, months after the fighting had ended and longer than for other nations. Roosevelt indicated his goals were to make the king happy and keep the oil in American hands. As former Assistant Secretary of the Navy during the First World War and anticipating future shortages, Roosevelt considered Saudi oil as a possible source of fuel for upcoming naval operations in the Far East. The announcement of Lend-Lease was followed by visits from U.S. officials as Alexander Kirk, the U.S. minister in Cairo responsible for Saudi Arabia, to explain the program and Patrick Hurley, a flamboyant lawyer from the oilfields of Oklahoma. Secretary of War under Roosevelt’s predecessor, Herbert Hoover, with a military rank of general, Hurley was told by King Ibn Saud he wanted the Americans as opposed to the British developing the kingdom’s oil resources.

James Moose, whose elevation to ambassador reflected the growing American presence in Saudi Arabia, informed the British that future requests for Lend Lease military aid would now go directly to Washington rather than through London.\textsuperscript{46} Moose was soon quarreling with his British counterpart, Stanley Jordan, as their respective nations continued to maneuver for influence in the kingdom with its suspected oil potential. Standard Oil, increasingly concerned over competition for the oil of the


\textsuperscript{45} Benoist-Mechin, \textit{Arabian Destiny}, 229.

\textsuperscript{46} United States Department of State. Foreign Relations of the United States. Diplomatic Papers 1943. Saudi Arabia. April 14, 1943. The Secretary of State to the Charge’ in Saudi Arabia (Shullaw); accessed July 28, 2014.
Arabian Peninsula, enlisted the aid of Undersecretary of the Navy William Bullit, no
close friend of the British, to lobby Roosevelt in behalf of its interests, while Everett DeGolyer,
a noted geologist, told State Department officials the oil of Saudi Arabia represented “the
greatest single prize in all history.” In July an American military mission arrived, with
Secretary of State Hull the following month calling the U.S. presence in the Persian Gulf
important to its oil interests in Saudi Arabia.\(^{47}\)

The American oil concessions had marked the beginning of the decline of British
influence in Saudi Arabia which ended only after World War II was over. It was thought
Ibn Saud had originally granted these concessions because he felt more comfortable with
private entities rather than government sponsored ones the British favored. The king
seemed to believe only an American company could develop Saudi Arabia’s oil potential,
“They get the oil and don’t get into politics.”\(^{49}\) He was also concerned over dwindling
British financial assistance and their continuing support for his Hashemite rivals. Added
to this was his perception of Britain’s lackluster backing against tribes from Yemen that
threatened his southern border.

Prior to 1943 the British had been skeptical or unaware of the king’s governing
abilities and worried whether the Saudi monarchy would even survive. However, despite
Britain’s waning economic clout, U.S. aid increased helping to assure survival of the
Saudi regime. The Americans’ support led to a curious geographical division of labor

\(^{47}\) Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon &
Schuster, 1991), 393.

\(^{48}\) James A. Bill, *The Eagle and the Lion: The Tragedy of American-Iranian Relations* (New

\(^{49}\) Kermit Roosevelt, *Arabs, Oil, and History: The Story of the Middle East* (New York: Harper,
1949), 162.
with private oil companies functioning virtually alone in the east near the Persian Gulf, while U.S. government representatives remained in Jidda in the west on the Red Sea. Although divided by a vast, largely uninhabitable expanse of desert, the companies realized it was in their long term interests to keep the State Department, OSS, and U.S. military advised of any and all developments in the kingdom. The combined efforts of these geographically separate endeavors would serve to make the United States the overwhelmingly dominant outside presence in Saudi Arabia by the end of the war.

Establishing and consolidating his rule in the Arabian Peninsula, Ibn Saud had taken full advantage of the Islamic concept of family by marrying or having his family members marry into the families of tribal chiefs, particularly the Najdis in the isolated center where he also distributed his most lavish subsidies. With his authority cutting across tribal allegiances and creating commitments of a personal nature, he ruled various regions through loyal subordinates he provided with adequate military power to maintain control. Although roundly criticized by many, Ibn Saud viewed himself and was regarded by others as the world’s leading Muslim. Detractors would sarcastically remark, he “devoutly followed the path of the Prophet Mohammed with women, prayer, and perfume.”

American solicitation of the royal family steadily increased with two of the king’s sons widely feted while touring the U.S. during the fall of 1943. However, when the U.S. government sought a consulate at Dhahran on the east coast closer to their oil operations, the king agreed only to a commercial agent preventing any interference in his direct dealings with the oil companies. Recognizing the growing importance of oil for the war

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and in the future, President Roosevelt created the Petroleum Reserve Corporation (PRC) “to acquire petroleum, petroleum products and petroleum reserves outside of the continental United States.”\textsuperscript{51} These events left no question that the Americans, both their government and independent oil companies, were drawing closer to Saudi Arabia and its ruling family. However, the paramount interest remained access to oil, not the nature of Arabian society or its government.

Despite his closer relations with the U.S., Ibn Saud would continue to monitor carefully the activities of all outside powers. He remained concerned for the kingdom’s sovereignty readily recalling British encroachments in the past. While he appreciated the Americans can-do spirit and independence from government control, he was also wary of the influence of Jewish interests on their policies and actions. Funding from the U.S. and Great Britain during 1943 had been equal, yet the exigencies of war were beginning to give the Americans a distinct upper hand in a place less than two years earlier their president had described as a little too far afield.

In Iran while the Germans no longer had a clear path to the Persian Gulf following their defeat at Stalingrad, Arthur Millspaugh’s difficulties continued with his viewing the government “arbitrary and corrupt rewarding trickery and falsification.”\textsuperscript{52} The increased harshness of Soviet rule in their occupation zone after Stalingrad also brought greater overt support for the Tudeh Party, which was becoming more doctrinaire and less tolerant of rivals. This change in Soviet behavior intensified their rivalry with the


\textsuperscript{52} Arthur C. Millspaugh, \textit{Americans in Persia} (Washington, DC: Brookings Institution, 1946), 80.
British and increased their animosity toward the Americans notwithstanding huge quantities of supplies from these same allies arriving daily by the Persian Corridor.

John Jernigan, a U.S. State Department official, forecast in early 1943 Great Britain and the Soviet Union would try to resume their domination of Iran once the war ended.\textsuperscript{53} For decades Iran had been a center of contention between these powers with the expansionist Russians encroaching upon what the British considered their fiefdom in India. With the Caspian Sea virtually a Russian lake to the north and the Persian Gulf controlled by the British fleet in the south, Iran, or Persia, had long occupied a critical geopolitical location between these powers. The rivalry had led to spheres of influence as opposed to outright colonization with Iran somehow clinging to a precarious state of independence. The appearance of the Americans constituted a new presence in the region.

Asserting its authority following Reza Shah’s abdication, the Majlis had been able to limit his successor son’s influence. However, many of Iran’s other prominent leaders had acquired their experience prior to Reza Shah and were accustomed to dealing with the British or Russians. Suspicious of these sophisticated, seemingly more worldly, political figures, the Iranian masses were increasingly susceptible to cruder, harsher political tactics that led to vicious character assassination and random acts of violence becoming commonplace events.

Splintered by factional parties centered around particular individuals or personal interests as opposed to common political goals, the Majlis at times barely functioned. The war had also brought forth a new breed of entrepreneurs enriched by supply line contracts.

or other foreign occupation activities. These wealthy newcomers would add to the legislative stalemate and personal aggrandizement contributing to the dysfunctional political climate. John Wiley, an American ambassador in the late 1940s, called “dealing with Iranians like eating soup with a fork.” Others also noted this political immaturity which had long perplexed the British. Although the deputies, political parties, and their multiple party newspapers gained unexpected prominence, a forum for intrigue, corruption, and personal favoritism was being created instead of a functioning component for democratic government.

Governments or coalitions did not fall or break up over policy differences, but rather when they were no longer able to supply favors or patronage. Meanwhile the old elite increasingly rallied around the greater stability afforded by the new shah to minimize their own potential or actual losses. At one point the British even contemplated unilaterally dissolving the Majlis but were dissuaded by the Americans. Inflation, hoarding, speculation, and personal profiteering including by members of the Majlis added to the existing economic hardships and instability that contributed to an erosion of faith in democratic governance.

Iranians regarded World War II under the occupation with its economic and political chaos as a calamity, and many longed for the certainty and security of the previous era of Reza Shah. While also at the mercy of the occupying forces, the monarchy still possessed considerable residual power, which the youthful shah enhanced by continually forging critical links with the military. This institutional strength inherently tied to an authoritarian political structure reinvigorated the place of the

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monarchy in a political environment that the British and Americans increasingly accommodated in the interest of greater stability and opposition to Soviet influence. While the youthful shah persisted in public pronouncements promoting democracy, at the same time he never missed any opportunity to undermine its processes notwithstanding the increased backing he received from the Western democracies.

Clerics sought measures never implemented by Reza Shah such as reviewing acts passed by the Majlis while nationalists advocated reforms that weakened the monarchy’s authority. Iran was also engaged in various complex industrial and commercial projects that would have challenged even the most mature government. Only the monarchy seemed to provide any semblance of stability and rectitude particularly for the elites who had long governed Iran and continued to remain influential.

While the twelve years from Reza Shah’s abdication to the Anglo-American coup in 1953 are regarded by many with nostalgia as an “era of democracy,” there also remained throughout this period, particularly throughout the trauma of the war years and occupation, an underlying preference for authoritarian stability. While a boisterous, anti-autocratic milieu of revised constitutionalism had unquestionably arisen, the creation of a viable parliamentary democracy confronted numerous impediments including strict censorship measures imposed by the Allies that inhibited a free and wholesale exchange of ideas.

A history of harsh authoritarian rule, instead of democratic traditions, with the masses in service of the thousand or so families controlling the wealth and arable land would prove beneficial to the monarchy. The aggressive stance of the Soviets in their occupation zone also increased loyalty to the throne. Additionally the American advisory
efforts promoted order rather than democratic reform. While Colonel Schwartzkopf unquestionably helped the gendarmerie root out lawlessness in the countryside, neither his efforts nor those of General Ridley served to promote democratic practices and policies.

Early during World War II, NEA’s Wallace Murray had presciently recognized the U.S. sooner or later would have to assume a dominant role in Iran. To counter communist activities Murray would later enlist the aid of the Presbyterians at their school in Tabriz in the northwest where Soviet agents had long been most active. However, the Americans were not only increasingly concerned over the Soviets’ hostile conduct, they also questioned whether the British were always acting in Iran’s best interests.

At the beginning of World War II, Iran possessed the world’s largest known oil reserves after the U.S. and the Soviet Union. The British owned a majority interest in AIOC, which operated independently of the Iranian government and aggravated all social classes including Reza Shah himself. With executive offices in far-away London, Iranians resented many of the company’s discriminatory practices and distrusted its bookkeeping, suspicious they were not receiving their fair share of revenues.

Patrick Hurley, who some would term the midwife of post-war U.S.-Iranian relations, acted upon these resentments to promote greater American contacts and interest. In May 1943 Roosevelt dispatched him to Iran where according to Secretary of State Cordell Hull, who read all of Hurley’s reports and recommendations, he was able to arouse Roosevelt’s personal interest in Iran. The flamboyant Oklahoman was critical of

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the British urging the president that the Americans should operate Lend Lease themselves throughout the Middle East rather than rely on the British.\textsuperscript{56}

When Iran declared war on Germany, Millspaugh was calling for a reduction in the military budget angering the shah and wanting to impose an income tax that alienated the wealthy elite. Dreyfus at the American legation in Tehran was increasingly concerned, unlike the British and Soviets, that there was no coordination of U.S. military and civilian advisors, and that the Americans’ operation of the supply line too often ignored the sensibilities of the Iranian people. Amidst the turmoil of two occupying foreign powers acting at will, the uncoordinated American efforts were having little apparent effect.

**Signs of War’s End in the Persian Gulf**

Meeting in Moscow in October 1943 the foreign ministers of the Soviet Union, Great Britain, and the U.S. failed to agree on a common policy for Iran referring the matter to a later date. With Dreyfus making enemies even among Americans over their lack of coordination and failure to establish a comprehensive policy, economic chaos and political unrest in Iran continued.

As Roosevelt’s informal counterweight to the State Department, Hurley recommended the U.S. make Iran a showpiece for demonstrating American benevolence

and goodwill. He was critical of the State Department, the functioning of Lend-Lease, and distrusted the motives of both the British and Soviets. Roosevelt appreciated informal advisors as Hurley and Harriman telling his son and constant companion James that they get things done. However, the State Department’s Eugene Rostow thought Hurley was unrealistic calling his ideas “globaloney.”

Iran’s declaration of war on Germany reversed its previous formal neutrality bringing hopes of closer relations with the U.S. to offset the longstanding domination of its northern and southern imperial neighbors. While the U.S. military mission focused on internal security as important for Iran’s future unity and security, the British and Soviet forces instead concentrated on military matters with the capability of directing at each other. Both repeatedly interfered with American activities.

In Tehran at the end of November 1943 the Allied leaders, Churchill, Roosevelt, and Soviet leader Joseph Stalin came together for the first time with Stalin agreeing to venture, if barely, beyond the borders of the Soviet Union. While the purpose of their conference was to discuss strategy for the war in general, a setting in its capital city could not help but have some effect on Iran. Iranians, particularly the shah, viewed the Allied leaders’ meeting as a unique opportunity to help assure their future sovereignty and independence.

While Secretary of State Hull and British Foreign Minister Anthony Eden had been unable to secure any agreement on Iran from their Soviet counterpart the previous month in Moscow, Hurley was determined to reach some sort of understanding. During the conference Stalin unexpectedly reversed his foreign minister’s earlier intransigence

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57 Bill, *The Eagle and the Lion*, 22.
recognizing Iran’s contribution to the war effort also promising economic aid and full independence once the war ended. Hurley took the initiative to prepare a document incorporating these goals that became known as the Tehran Declaration, which he based upon the principles of the Atlantic Charter. While both Great Britain and the Soviet Union were lukewarm, if not actually opposed, to such lofty ideas, they nevertheless agreed if for no other reason than preserving the spirit of Allied solidarity. Notwithstanding its vague and general nature the Tehran Declaration gave Iranians hope for the future amid the turmoil of debilitating and humiliating wartime conditions.

In the aftermath of the conference the U.S. raised the status of its legation in Tehran to that of a full-fledged embassy, while Hurley remained behind further assessing the situation on Roosevelt’s behalf. He was increasingly concerned over the misuse of Lend-Lease aid as well as a British tendency to dominate and even monopolize certain commercial activities. The growing and increasingly aggressive Soviet presence in Iran’s northern provinces was particularly troublesome to the flamboyant lawyer.

Aside from general commitments to Iran under the principles of the Atlantic Charter, a long-term, more realistic assessment was developing among American policy makers that no great power be established or have a presence in the Persian Gulf opposite U.S. oil interests in Saudi Arabia. As 1944 began the British were considering a reduction in their subsidy to Saudi Arabia, while the U.S. was contemplating an increase. More than four years of warfare against the Axis powers had taken a withering toll on British resources; and while during 1944 the spending of the two Allies in Saudi Arabia was virtually equal, the following year American spending would far exceed that of the British.
As the war continued both Great Britain and the U.S. jointly provided Saudi Arabia’s military with modern weaponry, supplies, and training exclusively for Ibn Saud’s government and those forces under his control. Not engaged against Axis forces with none nearby, the clear effect was to provide the king modern and sophisticated tools for even greater control over potential domestic opponents.

In January CASOC merged with Texas Oil creating ARAMCO (Arabian American Oil Company) amid proposals for constructing a pipeline from Saudi Arabia to the Mediterranean Sea. The ubiquitous Hurley, who had arrived in Saudi Arabia again as Roosevelt’s personal troubleshooter, was thought to be a moving force behind the pipeline project. An enthusiastic advocate for developing Saudi Arabia’s oil resources, Hurley had changed his earlier position of wanting the U.S. government to develop those resources to allowing private enterprise to continue doing so.

However oil, both for wartime use and the future, was continuing to affect relations between the Americans and British. The increasingly mechanized armies were dependent upon adequate fuel supplies with oil constituting the largest single product provided by the U.S. during the war. Added to this was the Allies’ concern for assuring adequate access to oil in the future leading Roosevelt and Churchill to reach an informal understanding in March 1944 that the British would have the oil of Iraq and Iran while the Americans that in Saudi Arabia.\(^5\)

Hurley, however, was rapidly becoming identified with Saudi Arabian interests. This would lead to his eventual demise as influential Jewish interests in the U.S. feared

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he was also siding too much with the king’s adamant opposition to a Jewish state in Palestine. Their pressure would cause Roosevelt prior to the 1944 election to remove his independent troubleshooter from any further activities in the Middle East.

Arab and Jewish matters in connection with Saudi Arabia had arisen from time to time over the years as the U.S. government’s role in the desert kingdom increased. As early as 1938 Ibn Saud had written Roosevelt expressing his concern American policies were too sympathetic to Zionist interests. When Ambassador Alexander Kirk was facilitating Lend-Lease aid for Saudi Arabia, the king raised the issue once more sending yet another letter to the president asking for restrictions on Jewish immigration to Palestine. Roosevelt also dispatched Harold Hoskins, an Arabic-speaking military officer, to persuade Ibn Saud to meet with Jewish leader, Chaim Weizman, in hopes of reaching a solution in Palestine agreeable to all. The king angrily rebuked this effort when he learned that wealthy Jews had been willing to pay him not to oppose Jewish settlements in Palestine.

Ibn Saud’s adamant stance continued at his meeting with Roosevelt following the Yalta Conference. The king felt those who had so viciously persecuted the Jews in Europe should accommodate them in their own homelands rather than displace innocent Arabs in Palestine. The king’s opposition to further Jewish settlement led Roosevelt to state he had learned more about the issue from Ibn Saud than anyone else previously. Perhaps more accurately he had discovered how strongly this venerated leader of the Arab world felt. Ibn Saud would tell William Eddy, Roosevelt’s translator at the Suez meeting and later U.S. ambassador to Saudi Arabia, that the issue might even affect Aramco’s concession, a matter of considerable concern to the U.S. government.
By April 1944, overall U.S. aid to Saudi Arabia was surpassing that of the British; yet despite Churchill’s and Roosevelt’s earlier acknowledgement of the other’s oil claims, the Americans were concerned that British Ambassador Stanley Jordan was continuing to undermine their interests in the desert kingdom. A longstanding friend of Ibn Saud since the 1920s the big, breezy Australian had even tried to get the Americans to reduce their aid to Saudi Arabia saying the king did not need the money. While the Allied leaders Roosevelt and Churchill may have come to an understanding over access to oil in the Middle East, this apparently did not completely allay concerns of future competition. Dr. DeGolyer’s prediction that the center of gravity for world oil production would shift from the Gulf of Mexico-Caribbean basin to the Middle East was a correct forecast that would have a profound impact on world politics.59

However, increased economic distress in Saudi Arabia during the summer of 1944 would lead to greater cooperation between the U.S. and Great Britain. The continuing absence of pilgrimages to Mecca and Medina and the complete shutdown of oil production combined with drought conditions to make the king wholly dependent upon the largess of the Western powers. The viability of his regime and need for stability in the Arabian Peninsula compelled them to continue their support. In September the new American ambassador, William Eddy, a former Marine colonel and OSS operative who had been born in Lebanon to missionary parents, met with his British counterpart in Jordan in hopes of establishing a more friendly and collaborative Anglo-American effort. That same month the U.S. opened a consulate under Parker “Pete” Hart in Dhahran

59 Yergin, The Prize, 392-393.
despite initial resistance from the king, who, ever sensitive to foreign encroachment, required the U.S. flag be affixed to a pedestal rather than planted in Arabian soil.

With the Germans on the defensive in Eastern Europe and defending Italy after being ousted from North Africa, the long-anticipated invasion of Western Europe was at hand. The Soviets, in addition to imposing harsher occupation policies in Iran, were becoming even more difficult in their dealings with the British and Americans. They were also more assertive and open in support of the Tudeh Party, a practice similar to those places their armies had recently liberated from Nazi control. Tudeh was by far the most organized political party in Iran with a more or less specific agenda and a degree of discipline far greater than other parties. Both the Americans and British were increasingly suspicious of Tudeh’s activities suspecting the Soviets had infiltrated its party ranks with agents and were providing financial support. With the end of the war on the horizon in Europe, the interests of the British and the Americans in Iran were drawing closer together. As in Saudi Arabia their concern was not the nature of Iran’s government, but whether the government was acting in a manner consistent with their interests.

The U.S.-Iranian euphoria following the Tehran Conference quickly evaporated as the occupation continued with its debilitating economic and political distress. Although the shah and Roosevelt had got along well personally, notwithstanding what the youthful monarch regarded as a diplomatic affront in not meeting with him formally, the mounting and uncoordinated American activities were having an increasingly adverse effect on relations. Millspaugh’s disputes with the shah over military spending continued with his view of Iran as “a place of arbitrary, personal rule with a corrupt government
that rewarded trickery and falsification instead of competence and honesty.”\textsuperscript{60} Opinions as this hardly made Millspaugh’s relations more conducive or endured Iranians to him.

Notwithstanding their differences with Millspaugh, many Iranians had initially thought backing him was necessary to assure American good will and continuing Lend-Lease aid. As those assumptions proved increasingly less true, support for the American economist rapidly dissipated. Millspaugh had originally been regarded as a counterweight to Soviet influence, and both the Soviet Union as well as the Tudeh Party were hostile towards his mission repeatedly attempting to thwart his efforts for financial and economic reform. However, by the end of 1944 any effectiveness he may have possessed ended, and he resigned early the next year. In the interest of better relations with the shah and other influential Iranians, the U.S. government offered little, if any, support in behalf of the principled, yet beleaguered economic advisor.

Lend-Lease adopted by the U.S. nearly a year prior to the Japanese attack on Pearl Harbor had allowed the Americans to transfer arms or any other materials to countries deemed vital to its defense. At first they channeled Lend-Lease aid for the region through the Middle East Supply Center, a British-dominated agency in Cairo. However, as the war continued and American interests in the Middle East increased, Roosevelt once more ventured outside normal bureaucratic channels appointing James Landis, a former member of his “Brain Trust” and Harvard Law School professor, as the U.S. representative to this post. Lend-Lease had been extended to Saudi Arabia over objections it was not even a democracy with an office also in Tehran to better assist supplying Iran. The appointment of a longtime, trusted colleague as Landis not only

\footnotesize\textsuperscript{60} Arthur C. Millspaugh, \textit{Americans in Persia} (Washington, DC: Brookings Institution, 1946), 80.
reflected increased American emphasis on providing supplies to the Middle East during the war but greater attention to post-war considerations in the region as well.

Harold Minor with the U.S. State Department had warned in February 1944 of Soviet exploitation of Iran evidenced by the various unfair economic agreements being imposed in its occupation zone.\(^{61}\) Minor also cautioned about a fine line for activities as Millspaugh’s reforms constituting outside interference that might also be regarded as a form of imperialism.\(^{62}\) The U.S. government tended to acquiesce with the financial expert’s Iranian opposition. The appointment of Leland Morris, formerly ambassador to Iceland, to head the embassy in Tehran replacing Dreyfus added to the Americans’ growing presence and interest in Iran.

However, tension between the British and Americans persisted over their respective oil interests leading to a meeting of the British ambassador, Lord Halifax, with Roosevelt where the president drew a map showing the British having the oil in Iran, the Americans that in Saudi Arabia, and their sharing the oil of Iraq and Kuwait.\(^{63}\) A formal agreement was reached between them in August 1944 that paid only lip service to the ideals of the Atlantic Charter as the interests of those countries where the oil was located were simply ignored. However, the agreement was never ratified due to opposition in the U.S. Senate.

Meanwhile the Americans and British sought to better coordinate their activities in Iran as Wallace Murray, director of the Near Eastern Africa Division of the State


\(^{62}\) Ibid., 174.

\(^{63}\) Brown, *Oil, God, and Gold*, 111.
Department, and Sir Maurice Peterson of the British Foreign Office held a series of meetings to coordinate the supply of military equipment. This presaged the development of later practices for sharing responsibilities whether civilian, commercial, or military in Iran. However, as in Saudi Arabia, U.S. aid in Iran would soon surpass that of the British although the latter retained a far greater presence than in the desert kingdom.

The British monopoly of Iran’s or Persia’s oil resources through AIOC since the turn of the century had not prevented others from also seeking oil concessions there as well. In 1944 American oil companies sought drilling rights in Iran’s southeast, and shortly thereafter the Soviet Union insisted upon the exclusive exploratory rights in five northeastern provinces it occupied. Both Herbert Hoover, Jr., son of the former president, and Hurley were actively urging the Americans to take a greater interest in Iran’s oil resources. However, the Majlis led by longtime political activist, Mohammed Mossadegh, instead adopted a policy of prohibiting foreign oil concessions while Iran was occupied by foreign powers. This angered the Soviets who retaliated with a vicious campaign that forced the resignation of the prime minister. While the U.S. abstained from objecting to the Soviets’ aggressive conduct, it nevertheless supported Iran’s stand opposing oil concessions although contrary to the interests of their Soviet allies.

With tension continuing to mount with the Soviet Union over Iran, the wealthy, sophisticated Harriman, who had been one of the first to warn of future Soviet expansion, and Ambassador Morris met in Tehran in December 1944 with the shah who assured them he would help the U.S. resist future Soviet expansion. When Roosevelt sent a letter to the shah that same month repeating his proposals for reforestation they had discussed previously during the Tehran conference, the president also noted his objections to the
recent Soviet conduct. However, acting Secretary of State Edward Stettinius, who had replaced Hull, was able to prevent the letter from being sent in the interest of preserving amicable Allied relations. The State Department also discouraged Roosevelt’s idea of an international trusteeship for Iran’s north-south railway, as the U.S. continued to balance its wartime alliance with a growing concern over increasingly aggressive Soviet activities.

The prolonged controversy over Millspaugh and his economic mission had poisoned U.S.-Iranian relations with the shah as well as with Mossadegh who was no supporter of the shah. Millspaugh’s departure damaged U.S. prestige creating a lack of confidence in the firmness of American policies. Political groupings were forming with those on the left, particularly Tudeh, siding with the Soviet Union and opposing British imperialism, while the right supported the U.S. and Great Britain. With the war ending in Europe, the Americans and British were now consistently backing the Iranian monarchy against other domestic interest groups.

The Persian Gulf as War Ends

With aid from the U.S. to Saudi Arabia surpassing that of Great Britain, Roosevelt approved additional military and infrastructure aid for the desert kingdom on a scale far greater than ever before. The increase was of such magnitude that the king even felt compelled to reassure the British he was not abandoning them. The Americans and
British had been engaged in a series of activities that not only affected future oil rights, but military assistance and facilities, landing rights, currency issues, and telecommunications. The overriding concern was Ibn Saud’s health and survival of his kingdom, and it was commonly believed that financial shortages would lead to political instability and disintegration of the Arabian Peninsula into warring fiefdoms. The king’s death or even ill health could lead to disarray.

In early 1945, the three venerable Allied leaders met once more in the Crimean resort of Yalta on the Black Sea. As the conference concluded Roosevelt announced his intention to meet with King Ibn Saud on his return to the U.S. Although he had earlier reached an agreement with Roosevelt over the oil in the Middle East, Churchill quickly arranged a meeting of his own with the Saudi king hoping to salvage whatever interests and influence the British might still have.

Meeting on a U.S. Navy cruiser in the Suez Canal complex, Roosevelt and Ibn Saud got along amicably as the American president promised assistance with irrigation, forestry, and other water or agricultural projects while also providing the king personal gifts as an airplane and even one of his own wheelchairs. Left unsaid was the American commitment to continue developing Saudi Arabia’s potential oil riches and with that development anticipated financial returns more than sufficient to assure the stability and continuation of the king’s reign.

U.S. Under Secretary of State Dean Acheson met with Ambassador Eddy hoping to assure that Saudi Arabia did not slip into any future financial difficulties. Their overriding goal was to protect the American oil concessions, and the best means of doing this was to assure the continuation of Ibn Saud’s rule. This was followed by a
concentrated effort of the NEA as the war was ending to provide interim financial support for the desert kingdom until sufficient revenues from oil production were realized.

While Molotov had adroitly avoided any discussions of Iran at the Yalta conference, the main concern of Iranians as the war was ending in Europe was the continuing occupation by Soviet forces who had given no inclination of leaving even after the earlier agreed date of six months after hostilities ended. Backed by various American diplomats the shah urged the U.S. War Department keep its forces in Iran. Millspaugh had characterized Iran as a buffer state between the British and Russian Empires unable to create and maintain an enlightened and effective government.\(^\text{64}\) This appeared the situation once more with the war coming to an end.

As the Allied leaders gathered at Postdam outside Berlin following the defeat of Germany, it was clear the Soviet Union was expanding its influence and control through subordinate states on its borders. While the British had no choice, but to tolerate this in Eastern Europe as the Red Army now controlled it, a location near their imperial interests and oil holdings as Iran was of paramount importance and therefore it was a necessity for London to prevent Soviet penetration in Iran. The Americans with their oil investments in nearby Saudi Arabia fully supported the British position. Consistent with Millspaugh’s earlier observation, the Americans seemed to regard Iran as a weak domino that might prove difficult to preserve in any struggle against the Soviets.\(^\text{65}\) This proved true as the Americans and Soviets soon confronted one another in Iran in what observers would term the first crisis of what became known as the Cold War. In Saudi Arabia with oil


production soon to resume and greatly expand, the Americans were preparing to
construct a major air facility at Dhahran when two atomic bombs were dropped on Japan
bringing the war to an abrupt and unexpected end.

The Americans had come to virtually replace the British in Saudi Arabia in behalf
of their oil investments, while in Iran the two democracies had joined in opposing the
Soviet Union. In both places the Americans with their now junior British partners
accepted an authoritarian status quo that in Saudi Arabia was basically unchanged and
only modified somewhat in Iran.
Before World War II the Persian Gulf region was relatively unknown to the rest of the world with Iran located between the expansive land empire of the Soviet Union and British colonial possessions in South Asia, while Saudi Arabia was an empty, unknown desert near world transportation routes. Both were poor, backward places with economies generally similar to the rest of the Middle East. When the war ended Iran was still caught within a great power rivalry, while Saudi Arabia had become a place of newfound interest to numerous outsiders. Although little combat had occurred in the region, changes took place during the war that would dramatically affect both nations and the rest of the world. Yet in other respects very little changed as both places remained in many ways the same as they had been for decades if not centuries.

Due to its strategic location Iran had long been subject to dueling outside powers competing for influence in what had become known over the years as the Great Game. This competition had been somewhat dormant when the fighting broke out in Europe in September 1939 but soon resumed and would continue throughout the duration of the war. Russian or Soviet activities had been particularly significant in areas near Iran’s northern border while the British exercised greater influence further south closer to their oil operations near the Persian Gulf. The impoverished Iranian peasant masses went
about the drudgery of their daily lives, with a military dictatorship in recent years ruling this proud and ancient culture in spite of the overbearing presence of these more powerful states.

Southward on the other side of the Persian Gulf the Arabian Peninsula had been an isolated and generally ignored desert wasteland. However, a wily desert chieftain was able to consolidate the nomadic tribes of the harsh interior between the world wars establishing a kingdom that carried his family’s name. He accomplished this through an alliance with a strict, fundamentalist religious movement largely located in the peninsula’s desolate interior known as Wahhabism. Great Britain with its far-flung empire and powerful naval force had been the only foreign power with any appreciable presence in the region. However its influence was confined to the peninsula’s periphery, not the desert interior where ancient tribal practices and customs had remained unchanged for centuries. Only a handful of outsiders had any first-hand knowledge of this barren land and its inhabitants.

Geography had long been a critical factor in the Middle East with its strategic location between Europe and Asia. However, aside from holy cities in Saudi Arabia visited by Muslims on religious pilgrimages or Palestine of interest to Christians and Jews, there was little to attract outsiders. The industrial revolution had not come to these lands, and the resources or products did not appeal to outsiders to any appreciable extent. As Europeans came in contact with the region they made little effort to change things as long as their particular interests remained unaffected. In the Arabian Peninsula the British concentrated on protecting the nearby transportation routes linking their global empire,
while in Iran, or Persia, the competition between the British and Russians had ebbed and flowed over the years.

While World War II represented a cataclysmic event of epic proportions in human history, in the Persian Gulf it constituted a transformative period bringing significant changes. Saudi Arabia went from an unknown desert wasteland to recognition of its enormous oil potential, while Iran remained caught between two outside, competing powers. As the war progressed a third foreign power would emerge bringing major new developments. In Saudi Arabia American oil hands had been prospecting for oil in recent years, while in Iran missionaries from the United States had engendered much good will for their efforts building and running schools, hospitals, and other similar ventures. Other than these very limited activities any other American presence was virtually nonexistent. However, with the advent of war their presence in both Iran and Saudi Arabia would increase exponentially in a matter of just a few years.

Initial stirrings opposing Anglo-French colonialism had led to sympathy for Nazi Germany throughout the Middle East, and the new ruler of Saudi Arabia was no exception. Protecting various imperial prerogatives with superior naval forces the British had been able to remain the dominant power in the Arabian Peninsula and the surrounding areas. However, as the war progressed seeking to protect their newly established oil investments, the Americans steadily increased their presence and influence. By the time the war ended they had all but replaced the British as the foremost outside power in Saudi Arabia. However, like the British before them these newcomers made no effort to change the tribal culture or practices of Saudi Arabia and instead confined their efforts to establishing a firm basis for extracting a valuable and abundant
natural resource fueling modern economies and highly mechanized armies. Subduing the various tribes of the peninsula, Ibn Saud had brought a certain degree of stability to the region, which the British championed. The Americans would continue this practice hoping that the king would leave their oil investments undisturbed.

During some twenty years of dictatorship in Iran Reza Shah had drawn increasingly close to Germany seeking to offset the pervasive and longtime influence of the Russians and British. After Adolf Hitler assumed power his sympathies became even greater ultimately leading to his downfall. The Nazi invasion of the Soviet Union led to an alliance with the British and shortly thereafter a decision to rid Iran of German influence. When Reza Shah refused to cooperate, a joint Anglo-Soviet invasion and occupation led to his exile and replacement by his son, Mohammed Reza Pahlavi. At last rid of Reza Shah’s dictatorship Iran emerged as a cauldron of various interest groups competing for power and influence. The foreign occupiers were soon joined by the Americans who gradually increased their presence, but the British and Soviets would intervene repeatedly in Iran’s affairs seeking to influence events in behalf of their own particular interests. Political instability together with detiorating economic conditions that included rampant inflation and famine created chaotic conditions that threatened the very existence of this proud and ancient civilization.

Iran’s traditional ruling elite subdued during the years of Reza Shah’s dictatorship began to revive and increasingly viewed the young shah as the most reliable protector of their interests and of the country’s survival. Backed by the military, whose support the European-educated, former junior officer avidly sought and promoted, the monarchy was viewed as a stable and reliable presence in an otherwise tumultuous environment. The
generally inert masses in traditional fashion tended to follow the monarchy as well.

Confronting an increasingly assertive Soviet Union as the fortunes of war turned against the fascists, the U.S. and Great Britain reached out to the young shah regarding him as supportive of their interests and in opposition to those of their otherwise Soviet allies.

A profound development during the war years was recognition of oil as a driving force of modern warfare, its importance for future economic viability, and the presence of abundant reserves in the Persian Gulf region. Oil had first brought the Americans to Saudi Arabia, and their numbers and influence increased throughout the war. Great Britain had harbored its primary oil resources in Iran since the turn of the century and aggressively sought to retain their access to this precious commodity. Though allies in a common struggle against fascist aggression, the U.S. and Great Britain warily viewed the other when it came to maintaining and strengthening their respective ties to the oil resources of the Middle East.

However, the geographic proximity of an increasingly powerful and aggressive Soviet Union represented a growing concern to both Great Britain and the U.S. in the Persian Gulf region. Exhausted by years of fighting with its empire on the wane, the British were simply no longer able to compete with these continental giants who had taken over from them the burden of defeating the fascist aggressors. Maintaining and acquiring oil resources in the Persian Gulf while protecting that effort became the paramount goal of the British and Americans, and the growing might of the Soviet Union threatened that endeavor. Aiding national leaders in the region who supported these goals became an overriding objective of policy makers in both Washington and London.
In Saudi Arabia this meant backing an aging leader and his family who had aligned with an intolerant, fundamentalist religious group to rule the disparate desert tribes. Financial subsidies had enabled this ruling family to maintain the allegiance of these tribes, and during the war American aid, both financial and material, would surpass and all but replace that of the British. However, like the British before them, the Americans did nothing to change or try to influence the manner in which the king and his family ruled. As long as the Americans controlled the oil, and the royal family was in line to receive a share of the earnings; both parties were mutually content.

Authoritarian practices long characteristic of tribal, nomadic societies had combined with the harsh doctrines of the fundamentalist Wahhabi sect of Sunni Islam in Saudi Arabia to produce a society that had all but eliminated anything that might resemble an actual functioning democracy. Instead a totalitarian state began to evolve with an absolute monarchy under the leadership of a single family in cooperation with uncompromising religious zealots. With the support of the United States, ironically regarded as the world’s greatest democracy, Saudi Arabia’s status as an absolutist state became even more pronounced.

While World War II had been fought to protect democratic freedoms against fascist dictatorships and aggression, in Saudi Arabia assuring access to oil discouraged any high-minded principles that might interfere with this effort. The Americans readily accepted and reinforced the autocratic ruling family, although some policy makers readily acknowledged the hypocrisy of what was occurring. However, occasional musings were irrelevant and immaterial compared to the necessity of having sufficient oil resources available not only for the fighting effort but more importantly for a post-war, modern
economy. As it was becoming clear the Allies would prevail and in light of growing Soviet influence in the region, this fundamental policy hardened. The Americans had succeeded in acquiring exclusive access to the vast oil resources of Saudi Arabia and fully intended to protect their gains.

Within Saudi Arabia itself this priority would lead to unquestioned and unequivocal support for an oppressive, totalitarian regime. Any concern about democratic freedoms for the people went unspoken or ignored. While the Saudi populace may have enjoyed a certain access to their rulers through the tribal practices of the majlis common to traditional Arab society, this in no way conflicted with the royal family’s absolute rule. Nothing even remotely resembled any degree of independent political power in the hands of the people, and the Americans accepted this system in the interest of preserving their access to oil. Over the years financial proceeds from their oil bounty enabled the Saudi rulers to strengthen their control over the kingdom to an even greater degree.

The fundamental principle of the U.S. became assuring access to the kingdom’s oil resources and protecting that access. Anything else as democratic rights, notwithstanding America’s professed and sometimes committed opposition to twentieth century totalitarianism, was immaterial or irrelevant. As long as the oil flowed and flowed to U.S. companies this was all that mattered.

In Iran, unlike Saudi Arabia, a nascent democracy following a constitutional revolution in 1906 had existed only to be later submerged during Reza Shah’s dictatorship. However, other interest groups, particularly the traditional ruling elites, remained only temporarily sidelined resurfacing following the former Cossack colonel’s exile. The turbulence and chaos in Iran during World War II while occupied by foreign
powers proved beneficial to the young shah with the monarchy being regarded as an island of stability amidst tumult that threatened to lead to total anarchy. Increasingly backed by the British and Americans, the shah’s regime began to gain a certain degree of authority and respect.

Buoyed by the support of the twin Western democracies together with ties to a traditional ruling elite and the military, the young shah was able to increase his power and prestige in these chaotic circumstances. As in Saudi Arabia the Western powers did not take into account the rights or freedoms of the Iranian people. Their goal was defense against the Soviet Union and protecting access to oil. Likewise as in Saudi Arabia this meant aligning with a ruling status quo regardless of how authoritarian or undemocratic it might be.

However, in contrast to Saudi Arabia, government in Iran was not fully totalitarian or absolute in nature. Certain freedoms and interest groups independent from the monarchy or foreign control would arise a few years after the war ended causing the British and Americans to intervene to restore the shah to power. This led to even greater authoritarian measures being adopted as the harsh realities of the Cold War years ensued, and the American presence became even more pronounced. The struggle in Iran between repression and dissent however persisted with the shah being deposed from power after nearly forty years of rule in a popular revolution led by fundamentalist Shiite clerics. Since that revolution the tension between freedom and authoritarian rule has continued affecting how Iranians live and deal with the rest of the world.

In Saudi Arabia freedom from authoritarian control has been far more circumscribed than in Iran and even now barely exists to any appreciable degree.
Benefitting from immense oil revenues the Saudi royal family has imposed a rigid dictatorship with strict social controls over a populace that, aside from occasional and sometimes even violent outbursts or other modest displays of independence, remains passive and subservient. This totalitarian rule has been wholly and consistently supported by U.S. government policies that have not deviated since their inception during World War II.

Conditions occurred during World War II that immensely affected both Saudi Arabia and Iran: a realization of abundant oil resources in both countries, the appearance of the United States all but replacing the British, and the strengthened presence of the Soviet Union confronting the Americans and their now junior British partners. These conditions led to American support of an existing, authoritarian status quo in both countries ultimately causing a total dissolution in relations with Iran and a gnawing uncertainty about Saudi Arabia’s future.

Observers have customarily viewed the period immediately following World War II as when the most significant changes occurred in the Persian Gulf with the United States replacing Great Britain in Iran opposing the Soviet Union and the Americans beginning to reap an oil bounty in Saudi Arabia. However, rather than beginning during these Cold War years as generally perceived, these changes actually began during World War II and increased as that conflict continued. By war’s end the Americans had all but taken over from the British the strategic responsibility of defending the Persian Gulf and were firmly in place to produce enormous quantities of oil. The Cold War years simply confirmed American hegemony in the region.
Only occasionally did isolated American voices show concern for this support, tacit or otherwise, of authoritarian rule as Millspaugh in Iran or Jesse Jones and Harry Hopkins commenting about Saudi Arabia. More typical views were those of Patrick Hurley who recognized the growing threat of the Soviet Union as well as the potential oil wealth of the Persian Gulf region. Leading policy makers as Secretary of State Cordell Hull and President Roosevelt realized the importance to future American security and prosperity of thwarting Soviet ambitions in the region while at the same time assuring access to the abundant oil wealth there.

Meeting these goals left little attention for the interests of the people in Iran or Saudi Arabia whether their economic betterment, individual freedoms, or governing practices. The foundations for these policies were laid out during World War II, and as the tide of war turned the policies hardly differed whether opposing fascist aggression or defending against a new, communist foe. Confronting fascist dictators during the war, the U.S. paid little heed to the aspirations of the native peoples of the Persian Gulf. Whether positive changes in their behalf could have been initiated were barely considered, if considered at all, in the interest of supporting an existing and authoritarian status quo in both Saudi Arabia and Iran. Although promoting itself as a liberal democracy, the American government supported repressive policies and practices in order to preserve stability in the Persian Gulf and to protect access to the oil resources there.

The U.S. during this period helped set the stage for events occurring now in both Iran and Saudi Arabia. A restive society in Iran still struggles between the throes of a fundamentalist theocracy versus more open democratic freedoms and practices, while in
Saudi Arabia the monarchy’s authoritarian control appears very much intact despite occasional incidents or developments to the contrary.

Both countries presently confront one another across a sectarian religious divide with threatening implications given the resources and regional influence both possess. Saudi Arabia remains an absolute monarchy with Sunni Islam as the state religion and adheres to the puritanical Wahhabi sect of Sunnism, while Iran constitutes a Shiite theocracy with the largest Shiite population in the world. The overall interests of the people in both places appears largely subordinate to this uneasy confrontation. However, the dynamics of modern life possess an inherent potential for increased freedom from centralized, authoritarian control.

The United States entered a region during World War II believing circumstances dictated that it back authoritarian regimes in behalf of its own perceived self-interests. Unlike World War II or the Cold War, the challenges in the Persian Gulf today appear more multidimensional than singular objectives as confronting fascism or communism. Neither the United States or any other power for that matter exercises the same degree of influence over these countries as they did barely over a half century ago. The United States followed their British allies in supporting authoritarian regimes and practices during that earlier period. Many of the effects and ramifications of those policies still exist in Iran and Saudi Arabia today.
Bibliography

Iran


Saudi Arabia


General


