DEPARTMENT OF STATE
WASHINGTON

September 24, 1952

MEMORANDUM FOR THE PRESIDENT

Subject: Call of Ambassador Allahyar Saleh on the President

Allahyar Saleh, the Iranian Ambassador to the United States, will call on you at 12:25 p.m. Wednesday, September 24. He has expressed a desire to discuss mutual American-Iranian problems with you.

The points which Ambassador Saleh may be expected to make will in all probability be along the following lines:

1. The present internal economic crisis in Iran is such that, unless immediate aid is extended, Iran will fall into communist hands. Iran is not seeking a handout, but desires either emergency budgetary support or assistance in hastening sales of Iranian oil.

In your reply to anticipated statements along these lines you may wish to indicate that the United States considers it of critical importance that the spread of communism in the Middle East be prevented and is doing all in its power to prevent it; that since 1945 the United States has consistently supported the Iranian government against communist encroachment; that since Iran's oil industry came to a standstill the United States has done all within its power to bring Iran and the United Kingdom together in a solution which would be mutually satisfactory. In this connection, it sent the Harriman Mission to Iran, supported the attempt of the International Bank for Reconstruction and Development to work out a solution, and, finally, composed, with Prime Minister Churchill, the joint message.

2. The joint message and the substance of the solution proposed therein was a psychological blunder in Iranian eyes.

In reply to this allegation you may wish to state that in your opinion the solution proposed in the joint message aimed towards the resumption of negotiations and court action represented a great step forward in meeting the issues of the oil dispute. You consider furthermore that the substance of your proposal was an eminently fair one, deserving every consideration by the Iranian Government.