FROM: Tehran

TO: Secretary of State

NO: 407, July 27, 11 p.m.

PRIORITY

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FROM HARRIMAN FOR THE PRESIDENT AND SECRETARY.

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In my stgs this afternoon with Shah and Mosadeq they both cordially received idea of my going to London upon my explanation that British Govt had questions concerning Iranian proposal which cld best be answered in personal conversations.

Shah asked me to tell Prime Minister Attlee that he earnestly hope British wd not (rpt not) find it necessary to impose conditions in acceptance, as he is confident solution can be worked out after arrival of mission. He said conditions might make it impossible for Iranian Govt to accede and wd result in changed atmosphere here. He stated again Mosadeq was only man who cld make reasonable deal with British and said he (Shah) wd use his influence to that end. He urged me to stay during negotiations.

My talk with Mosadeq was most friendly and personal one we have had. He agreed it was wise for him to make as few public statements as possible regarding Iranian Govt proposal, although he said he wd have to give confidential report in general terms to Majlis tomorrow (Saturday) as report already had been put off days. I re-emphasized importance of Iranian Govt doing its part in relieving tension in South.

GRADY

SMD: VIM

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REQUESTED REPLY

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