DEPARTMENT OF STATE
WASHINGTON

October 9, 1952

MEMORANDUM FOR THE PRESIDENT

Subject: Communications from Dr. Mosadegh

There is attached for your information a copy of the English translation of a letter to me from Prime Minister Mosadegh which was delivered to Ambassador Henderson the evening of October 7. The letter transmitted a copy of a letter from Dr. Mosadegh to Mr. Eien, a translation of which is also attached.

Our comments on this development will follow later.

Enclosures:

1. Copy of letter to the Secretary from Prime Minister Mosadegh.

2. Copy of letter to Mr. Eien from Prime Minister Mosadegh.
The Honorable Mr. Acheson,  
Secretary of State of the  
United States of America:

I have received the reply to my counterproposals which was sent on behalf of His Excellency, the President of the United States of America, through the Honorable the American Ambassador in Tehran.

I have gratefully examined the explanations which were furnished with a view to removing the ambiguity of the joint message dated August 30, 1952, (Shawaraz 8, 1331). I am most grateful for the efforts exerted by the respected authority of Your Excellency's Government towards the settlement of current disputes. However, as to the statement that I was disappointed to learn from it that you have found unacceptable the proposals which were put forward on August 30, 1952, I think that in my counterproposals dated September 24, 1952, the reasons for the non-acceptance of the joint message were sufficiently explained. It is possible that His Excellency, the President does not remember that 10 months have elapsed since the date of the nationalization of the oil industry throughout Iran while in the meantime nothing useful has been accomplished towards this element of differences, and the question of determination of compensation has been entirely left to correspondence and procrastination.

The Iranian Government and nation have every day been faced with new social and economic difficulties arising from the economic blockade of Her Britannic Majesty's Government.

The greatest goodwill was shown and maximum possible concessions for the settlement of this question were made in my counterproposals. In order that this goodwill and earnest desire to bring this matter to an end and even more be fully evidenced, I have, in reply to the message from His Excellency, Mr. Eden, Her Britannic Majesty's Foreign Secretary, sent a proposal, a copy of which is enclosed for Your Excellency's information to the effect that plenipotentiary representatives of the former Anglo-Iranian Oil Company be sent to Tehran to discuss the terms of the counterproposals dated September 24, 1952. With a view to alleviating the economic and financial situation of Iran, and also in order that the former company may provide a token for the fulfillment of obligations assumed by it in the past, it has been added to the said proposal that prior to the departure of the plenipotentiary representatives of the company, which will be one week from this date, it should place at the disposal of the Imperial Ministry of Finance a sum of 20 million pounds sterling on account convertible into dollars (out of the 49 million pounds), and arrange for the payment of the balance thereof upon the termination of negotiations which are anticipated to last three weeks.

It is not necessary to explain that during the last year and a half the Iranian Government and nation have suffered bare losses as a result of procrastination and exchange of notes and correspondence, in such a way that no fairminded and unbiased individual would hold the Iranian Government and nation responsible for any sinister consequence and
and unfortunate development which may result from the maintenance of this policy.

I wish to invite Your Excellency's careful personal attention to the serious and basic implication of the preceding sentence and to existing conditions. I am certain you will agree that the prompt and immediate settlement of this matter would be a great and important contribution towards ensuring the peace and public security of one of the sensitive areas of the world.

I request you to convey to His Excellency the President the expression of my highest consideration and to accept my sincere appreciation of the efforts he has exerted and is still exerting to find a solution for the existing differences. (Signed Dr. Mohamad Mosadq, Prime Minister. October 7, 1952 (Mehr 15, 1331).
His Excellency Mr. Eden,
His Majesty's Secretary of State
For Foreign Affairs.

Your note dated 5 October 1952 which recognised in its entirety the action of the Iranian Government in nationalising its oil industry, and stated that it did not intend to revive the invalid 1933 Concession Agreement nor to interfere in the administration of the Iranian oil industry and recognised the Iranian Government's freedom to sell its oil products was handed to me by the British Charge d'Affaires in Tehran.

With due regard to the fact that the contents of the message in question in the parts mentioned above are in accordance with the indisputable rights of the Iranian nation, I take cognisance of the foregoing and at the same time regret that in this message, which was in answer to my message of 2 Mehr 1331 (24 September 1952), you did not make any reference to the counter-proposals dated 2 Mehr 1331 (24 September 1952). I find it necessary to inform you again that the object of my counter-proposals was to avoid wasting time and to find an equitable way of investigating the claims of the former oil company and the counter-claims of the Iranian Government.

Now I once again with the same object in view declare my readiness for discussion and settlement of this question. In order that the dispute may be definitely and clearly disposed of as soon as possible, representatives of the former AIOC, invested with full powers, are invited to leave for Tehran within a week as from today's date, for the purpose of necessary discussions within the limits of the Iranian Government's counter-proposals. Taking into consideration the several years delay by the former company in paying its debts to the Iranian Government and also the Iranian Government's need for immediate aid, before the departure of its representatives for Iran the former oil company should put at the disposal of the Iranian Ministry of Finance the sum of 20 million pounds convertible into dollars, out of the 49 million pounds mentioned in Article 4 of my counter-proposals dated the 2nd Mehr 1331 (24 September 1952). The remainder of the above-mentioned sum should be placed to the credit of the Iranian Government at the end of negotiations, for which a maximum period of three weeks is envisaged.

In conclusion it is expected that the complete goodwill of the Iranian Government towards a just solution of differences which has been reaffirmed in this note, will be well received and made use of. Your Excellency's attention is particularly drawn to the point that the Iranian Government has always indicated the serious consequences of procrastination and delay in reaching agreed and definitive solution of the differences. I once again remind you of the impossibility of the continuation of this state of affairs and any eventuality arising from pursuit of this policy is not the responsibility of the Iranian Government. Signed, Mohammad Mosadegh, Prime Minister, 15 Mehr 1331.