DEPARTMENT OF STATE
WASHINGTON

June 13, 1951

MEMORANDUM FOR THE PRESIDENT

Subject: Reply by Prime Minister Mosadeq of Iran to your message of May 31

The enclosed reply by Prime Minister Mosadeq to your message of May 31, 1951. This communication was delivered to Ambassador Grady in Tehran for transmittal to you on June 11, 1951.

In brief, Dr. Mosadeq's message expresses friendship for the United States and the desire of the Iranian Government to take no steps contrary to the interests of countries which have hitherto used Iranian oil. It reiterates numerous complaints against the Anglo-Iranian Oil Company, which it reaffirms must be nationalized in accordance with the Iranian law. It promises that the Iranian Government will consider proposals if put forward immediately by the AIOC which are not inconsistent with the principles of nationalization.

It is believed that your message to Dr. Mosadeq served a useful purpose in bringing forcibly to his attention the position of the United States.

The question of whether the Department will recommend that a reply be made, and, in such an eventuality, the nature of the reply, will depend upon developments in Iran during the next few days.

Enclosure:

Reply by Prime Minister Mosadeq.
Text of Message From Prime Minister Mossadegh to President Truman, June 11, 1951

The Honorable Harry S. Truman, President of the United States of America. Dear Mr. President, I have the honor to express my thanks for your kind message, sent through His Excellency the United States Ambassador in Iran, and to emphasize the Iranian people and their Government have always considered the United States of America as their sincere and well-wishing friend and are relying upon that friendship.

Concerning the nationalization of the oil industry in Iran I have to assure you, Mr. President, that the Government and Parliament of Iran, like yourself desire that the interests of the countries, which hitherto have used the Iranian oil should not suffer in the slightest degree. An, however, you have expressed the apprehension of the United States and it would seem that the matter is not fully clear to you, I ask permission to avail myself of the opportunity to put before you a summary history of the case of the measures which have now been adopted.

For many years the Iranian Government have been dissatisfied with the activities of the former Anglo-Iranian Oil Company, but I feel it would be beyond the scope of this letter and would cause you undue trouble if I attempted to set forth in detail the allegations of that company and to prove with unshakable documentary evidence that the accounts of the company have not corresponded with the true facts and that even in their disclosed accounts, the share they have earmarked for the Iranian people, the sole owners of the oil, has been so meagre as to arouse the indignation of all fair-minded persons.

The Iranian people have suffered these events for a good many years, with the result that they are now in the clutches of terrible poverty and acute distress, and it has become impossible to continue this taxation, especially with the situation brought into existence in this country by the second world war.

We doubt you will recall, Mr. President, that during the war Iran collaborated fully and most sincerely with the Allies for the ultimate triumph of right, justice and world freedom, and that she suffered untold hardships and made many sacrifices. During the war all our productive resources were directed day and night to carrying out large-scale plans for the transfer of ammunition, the supply of foodstuffs and other requirements of the Allied armies. These heavy burdens, borne for several years, disorganised and weakened our finance and economy and brought us up against a series of very grave economic problems, with the result that the labouring classes of this country who had toiled for the Allies throughout the war, were faced with an unbearable rise in prices and widespread unemployment.

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Had we been left alone, after the termination of war, we could have dealt with the situation brought about by the war, restored normal conditions and managed to move back to the depopulated villages the peasants who had been drawn to war work on roads and in factories, thus improving agriculture.

Had we been given outside help like other countries which suffered from war, we could soon have revived our economy, and even without that help, could have succeeded in our efforts had we not been hampered by the greed of the company and by the activities of its agents.

The company, however, always strove by restricting our income to put us under heavy financial pressure, and by disrupting our organisations to force us to ask its help and, as a consequence, to submit to whatever it desired to force upon us.

Secret agents on the one hand paralysed our reform movements by economic pressure, and on the other hand, on the contention that the country had enormous sources of wealth and oil, prevented us from enjoying the help which was given to other countries suffering from the effects of war.

I ask you in fairness, Mr. President, whether the tolerant Iranian people, who, whilst suffering from all these hardships and desperate privations, have so far withstood all kinds of strong and revolutionary propaganda, without causing any anxiety to the world, are not worthy of praise and appreciation, and whether they had any other alternative but recourse to the nationalisation of the oil industry, which will enable them to utilize the natural wealth of their country and will put an end to the unfair activities of the company.

Having thus given a short summary of the motives which have led to nationalisation of the oil industry in Iran, I wish to refer you, Mr. President, to the text of the law, and I hope you will agree that the two Houses of the Iranian Parliament have not deviated from the path of right and justice, and that the law, as repeatedly announced from the tribunes of both Houses and in various interviews, does not authorise the confiscation and seizure of property, but on the contrary envisages and gives security for the repayment of damages and losses, and that furthermore, it gives special consideration to the continuation of oil supplies to those countries hitherto using Iranian oil, and explicitly safeguards the viewpoints of former customers.

It is now a month since the law and the method of execution of the principle of the nationalisation of the oil industry in Iran were ratified by both Houses of Parliament and received the Royal signature, and, although the law has decreed an immediate dispossession,
and the government is under extraordinary pressure from public opinion impatiently demanding the dispossession of the former oil company, the government and the mixed committee appointed by the two Houses of Parliament have given careful study to the means of putting the law into force in the best possible way so that no disruption may occur in the exploitation of oil from the various centers and in the continuity of the flow of export.

The first evidence of the truth of this contention and the good-will of the Imperial Iranian Government is to be found in the provisions which have been communicated to the representatives of the former oil company, the most important of which are mentioned below:

1. So long as the status of the National Iranian Oil Company is not approved by the two Houses of the Imperial Parliament, the basis of operations of the temporary board of directors shall be the regulation devised by the former oil company (except insofar as such regulation are contrary to the law of nationalisation of the oil industry).

2. The foreign and Iranian experts, employees and labourers of the former oil company shall remain in service as before, and shall henceforth be recognized as employees of the National Iranian Oil Company.

3. The temporary board of directors will take the utmost care to execute existing programmes and to increase the production of oil so that the level of production and exploitation shall be raised above the present level.

4. The board of directors are bound to invite by public notice purchasers from the former oil company to submit documents showing their former transactions. The board must, at the same time, provide facilities so that no stoppage or restriction in the exportation of oil shall occur before the verification of the document and the conclusion of agreements with the purchaser.

Lastly the former oil company has been given the opportunity to submit immediate proposals, provided they are not contrary to the principle of the nationalisation of the oil industry, and the government has promised to consider these proposals.

The aim of the Imperial Government and the mixed committee in adopting the above measures has been the continuation of the flow of oil to the consumer countries—an aim which has been your immediate concern.

You may rest assured, Mr. President, that the Iranian people are desirous of maintaining their friendship with all nations and especially
especially with those, like the British nation, which have had age-long relations with them.

With regard to the questions of dispossession and the settlement of account with the former oil company which must be carried out in accordance with the provisions of the law ratified by the two Houses of Parliament, no doubt you will agree that as they are solely affairs of an internal nature, the government of Iran cannot enter into negotiations with anyone but the representatives of the former oil company.

The British Government can only show its concern if Iran, in her dealings with the former oil company, steps beyond the limits of right and justice in the enforcement of the law of the nationalisation of the oil industry, and you may rest assured, Mr. President, that no such trespass will ever take place.

We shall always strive to protect our cordial relations with the British Government and to remove according to law any anxiety which that government may have in the matter of securing Iranian oil for their requirements.

In this way there remains no cause for apprehension on the part of the Government and people of Britain in their relations with the Iranian Government and people.

I avail myself of this opportunity to offer to you, Mr. President, the expressions of my highest and most sincere regards and to wish the continuous progress and prosperity of the great American nation.

/s/ Dr. Mohammad Mossadegh
Prime Minister of Iran