JUNE 27, 1951

STATEMENT BY SECRETARY OF STATE DEAN ACHESON

The concern which I expressed last week over developments in Iran has been increased by what has taken place in that country during the past several days. I regret to say that the Iranian Government is proceeding with the nationalization of the oil industry in a manner which threatens immediately to bring the great Abadan refinery to a halt and to result in instability and economic distress within Iran with all the ill effects upon the Iranian people which that would entail.

The United States has repeatedly and publicly expressed its sympathy for the desires of the Iranian people to control their own resources. It has, however, strongly urged that changes in the relationship between the Iranian Government and the British interests involved be brought about on a basis consistent with the international responsibilities of both countries. It is the firm belief of the United States that a basis for agreement can be found. We were therefore disappointed that the recent British offer to Iran, which accepted the principle of nationalization and which had much to commend it, was summarily rejected by the Iranian Government without study to determine whether it could serve as a basis for further discussion.

The present atmosphere in Iran appears such as to render it most difficult for British technicians or technicians of any other country effectively to operate the vast oil producing and refining system. This atmosphere of threat and fear which results from hasty efforts to force cooperation in the implementation of the nationalization law cannot but seriously affect the morale of the employees and, consequently, their willingness to remain in Iran. Moreover the present stoppage of oil shipments indicates the dependence of the industry upon shipping and foreign marketing facilities. It is evident that unless arrangements are made very soon which will permit the tankers now tied up to move oil again, storage facilities will become filled and the refinery will stop. I need not emphasize the effects that this would have.

In view of the great dangers involved in the present situation in Iran and because of the strong desire of the United States to see the Iranian people realize their national aspirations without endangering their economy and society, I earnestly hope that Iran will reconsider its present actions and will seek some formula which will avoid the dangers of the present course and permit the continued operation of the oil industry.

If it is not possible at this time to agree upon a long-range basis for suitable collaboration, I sincerely hope that some intermediate arrangement can be made which will not prejudice the position of either side but which will, pending the development of something of a more permanent nature, permit British technicians to remain in Iran and the production and shipment of oil to be continued without interruption.

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