I deeply appreciate your full and frank statement which you sent me on August 23 setting forth the position of His Majesty's Government with regard to the situation in Iran now that the negotiations between the British and Iranian Governments have been suspended.

I am gratified that you found Mr. Harriman's services of value and you may be confident that both he and I stand ready to take any further steps which may be helpful in finding a solution to this difficult and disturbing problem. The United States understands and fully shares the disappointment and concern felt by the British Government over the suspension of the recent conversations in Iran.

I desire to state at once that the United States agrees with the United Kingdom's view regarding the seriousness of the situation in Iran and the danger it involves for the free world. The United States policies regarding Iran are designed primarily to prevent the present situation from leading to the loss of Iran and are, I am confident, directed toward objectives similar to those which the United Kingdom seeks to achieve.

On August 23 I made a public statement which expressed my disappointment at the suspension of the negotiations in Tehran and publicly subscribed to the views set forth by Mr. Harriman in his letter of August 21 to Prime Minister Mosaddeq. These views clearly stated the United States position and placed the blame for the failure of the negotiations upon the Iranian Government. We shall take advantage of any appropriate opportunities.
opportunities that present themselves to repeat these views and to commit specifically upon any Iranian position which may be unrealistic.

It is, of course, important that nothing be done to create an impression on the part of the Iranians that there is an important policy divergence between the United States and the United Kingdom. It is our firm belief, however, that our mutual goal in Iran can best be obtained if United States influence in that country, which has been established on the basis of a friendly and open-minded approach to the oil dispute, is not jeopardised by every step which has been or may be taken by the United Kingdom. A blanket endorsement of American policy with the present target of nationalism in Iran, namely, the Anglo-Iranian Oil Company, to the detriment of the interests of both of our countries.

This does not mean that we will equivocate upon fundamental rights and wrongs or permit the basis of international commercial relations to be undermined, but rather that we should maintain freedom of action to speak independently in a manner calculated to exert the most constructive influence and to render the most effective type of support possible.

I am sure we both agree that the internal political situation in Iran indicates that nationalism is a real and potent force. The United States does not believe, therefore, that our mutual objectives in Iran can be achieved by either of us taking a course of action which would appear to be in opposition to the legitimate aspirations of the Iranian people. Even if a new government should come to power in Iran, we believe that it would be subject to much the same pressures which have made the present government unwilling...
unwilling to make the concessions needed for reaching an agreement. However, with the passage of time and with wisdom on our part we believe it possible that the present extreme nationalist pressures may moderate and a more realistic attitude may be assumed by the Iranian Government.

We are encouraged by our belief that a basis has been established upon which negotiations can be resumed if and when this takes place. In the meantime, we believe it important that neither the United States nor the United Kingdom take a public position which might make it politically difficult or impossible for the Iranian Government to assume a conciliatory attitude.

We believe that coordination in our respective approaches to the Iranian problem is essential and we attach great importance to the policy of prior consultation between our two governments. It is especially desirable that our two embassies in Tehran work in the closest collaboration on all phases of the matter.

I wish to repeat in conclusion that the United States desires to work in Iran as elsewhere in the closest possible harmony with the United Kingdom. We sincerely believe that we can do this in the particular case of Iran, whose retention in the free world is our common objective.