

~~TOP SECRET~~
CONFIDENTIAL

INFORMATION ONLY

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
17 February 1953

25X1

Mossadeq plans to announce end of oil negotiations
(TS Tehran 3184, 14 February 1953)

Prime Minister Mossadeq has informed Ambassador Henderson that he intends to tell the Majlis on 21 February that there is no longer any hope for an oil settlement with the Anglo-Iranian Oil Company. At the same time, he plans to ask the Majlis for permission to sell oil immediately to any buyer at whatever price can be obtained. He would prefer selling to the US Government or American citizens, but in view of Iranian public opinion, he has no choice but to sell to anyone, including the Orbit.

Mossadeq agreed to receive any new British proposal, but insisted it was clear to him that the British do not want a settlement. He believes they are trying to overthrow him by using the tribes, fanatical religious groups, and Communist-front organizations against whom he is prepared to take necessary countermeasures.

setting

Mossadeq may still hope to hasten American aid by settling this deadline and by suggesting the possibility of selling to the Soviet bloc. The Department of State, however, pointed out on 10 February that the tanker situation, including charter rates, was improving to the point where Mossadeq might be able to "dump" Iranian oil on the world markets.

The steady stream of offers to buy oil also encourages Mossadeq to believe that he may be able to market sufficient quantities, even without an agreement with the Anglo-Iranian Oil Company, to meet Iran's needs.

The British have been "giving urgent consideration" to new draft proposals for settling the dispute which were drawn up by the Department of State and which incorporate, insofar as possible, Mossadeq's demands. The Foreign Office has promised to reply to these proposals on 17 February. There is no indication, however, that it will go far beyond previous offers.

State Dept. review completed

Document No.	027
No Change in Class.	<input type="checkbox"/>
Declassified	<input type="checkbox"/>
Class. Changed To:	TS S (C)
Date:	10 JUL 1978
By:	

~~CONFIDENTIAL~~
~~TOP SECRET~~

25X1