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SECURITY INFORMATION

75736, Cy. No. 5

5 November 1952

Memorandum for Mr. Dulles

Subject: Background of 13 October Draft of Revision of NSC 107/2
(Iran)

1. This revision originated in pressure by members of the Senior Staff, including yourself, for a new Iran paper, since the old one, done in July 1951, was clearly out of date. Mr. ██████ started the ball rolling with a draft submitted 30 September, which he frankly described as a "catalyst" designed to draw fire from State. 25X1A9a

2. On 7 October, State submitted a complete revised draft. This was reviewed by the Senior Staff on 9 October and revised by the Staff Assistants on 10 October under the Senior Staff's instructions. At this phase, Mr. Bohlen declined to discuss policy toward an oil settlement, on the ground that this issue was then being considered jointly by the Secretaries of State and Defense and by other interested top-level officers. The policy problems at this time revolved around the ██████ break and the Nitze mission to ██████ of 19 - 25 October. 25X6A

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3. Following Mr. Nitze's return, State on 29 October tabled the changes currently before the Senior Staff. These applied principally to paragraph 4, and above all to the oil settlement question. State's changes were discussed by the Senior Staff on Tuesday, 4 November, and the Defense Department proposed modifications to paragraphs 4 and 5. The thrust of the Defense position -- obscured by bad draftsmanship -- was that the US should immediately be prepared to go it alone on the oil settlement question, and at the same time should be willing to furnish all kinds of support, including military, in the event of an attempted or actual Communist seizure of power in Iran.

4. Outside the NSC arena, Mr. Lovett on about 24 October wrote to Mr. Acheson stating that the Defense Department regarded a settlement of the oil controversy and a determination of

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responsibility for action, in the event of adverse developments, as being of urgent importance. We have not actually seen this letter, nor a reply by Mr. Acheson and a rejoinder by Mr. Lovett, to which Mr. Bohlen referred yesterday. The existence of this correspondence simply reflects the difference of view between State and Defense and shows Defense's strong sense of urgency.

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