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APPENDIX C

Foreign Office Memorandum of 23 July 1953 from British Ambassador Makins to Assistant Under Secretary of State Smith

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"Her Majesty's Government have noted the State
Department's views as got out in a report on the conversation between Mr. Byroade and Mr. Bealey on 7 July,
and have much sympathy for them.

"The overriding consideration is that the whole question of compensation must be left to the impartial arbitration of an international tribunal. Furthermore the terms of any future arrangements must be such as not to appear to provide a reward for the tearing up of contractual obligations or to disturb the pattern of world oil prices. Subject to this Her Majesty's Government are prepared to go to the utmost to help...with the problem of presenting an agreement to the public' locally. They are also convinced that the Company, who have not been consulted, will adopt a generous attitude as regards methods and duration of payments as regards any compensation awarded to them.

"The answers therefore to the specific questions raised in the report from Washington Embassy are as follows:

"(a) The United Kingdom can do without this oil, although it would be an advantage to have it flowing into its traditional markets [the UK] once more.

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Her Majesty's Government are, however, anxious to dispose of the dispute which poisons their relations with the country concerned and is a disturbing element in the area as a whole. They would therefore 'be ready to cooperate' with a new government in trying to reach an agreement, provided that the principles referred to in paragraph 2 above are safeguarded. "(b) Her Majesty's Government take the wording of the plan to mean that the initiative would be left to the future Prime Minister both as to the priority of an oil agreement in relation to his general programme and as to the nature of it. They hope he would agree to look at the February proposals, and they would of course 'help him in regard to the presentation of the agreement.' If he had any alternative proposals, Her Majesty's Government would consider them with equal sympathy, subject always to the principles mentioned above being safeguarded."

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[The C.I.A.'s secret history of the 1953 coup in Iran was a nearly 200-page document, comprising the author's own account of the operation and a set of planning documents he attached. The New York Times on the Web is publishing the introduction and many of the planning documents. But the Times decided not to publish the main body of the text after consulting prominent historians who believed there might be serious risk that some of those named as foreign agents would face retribution in Iran.

Because the introductory summary and the main body of the document are inconsistent on a few dates and facts, readers may note discrepancies between accounts. In its reporting, the Times has relied upon details in the C.I.A. document not published here. In addition, certain names and identifying descriptions have been removed from the documents available on the Web.]

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