FROM TEHRAN TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND
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Mr. Middleton
No. 534
28th July 1952

D. 12.55 p.m. 28th July 1952 R. 2.17 p.m. 28th July 1952

IMMEDIATE SECRET

Addressed to Foreign Office telegram No. 534 of 28th

July

Repeated for information to Washington

and Saving to Memin Fayid

My immediately preceding telegram.

My United States colleague tells me that his long interview with Musaddiq last night was exhausting and depressing. Musaddiq made a long tirade against Britain and British policy and reproached the United States Government for not having offered financial aid to Persia, though he did not renew his request for it. I understand nothing constructive whatsoever emerged from the conversation.

- 2. Henderson and I agree that Musaddiq has seriously deteriorated and we share doubts about his mental stability. It seems likely that he is almost completely under the influence of Kashani whose avowed object is to drive all foreigners and foreign influences from Persia. We cannot in the circumstances see any hope of reaching agreement with Musaddiq.
- 3. American reservations to the conclusions reached in my telegram No. 531 no longer apply since the withdrawal of the arbitration offer. Americans agree with the main body of my [gp undec] and endorse the objection to (a). Indeed since our latest interviewsmy United States colleague and I do not think the National Front can seriously be regarded as a barrier to Communism [gp undec] fear that Musaddiq is capable of almost any extravagant action and that he may very shortly move sharply towards the left and intensify anti
 /British

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British and anti American campaigns.

- 4. For the moment neither Henderson nor I feel able to make recommendations for future action. Since the withdrawal of the arbitration offer there is nothing on which to base an initiative and we must for a little longer be mere spectators of events. We agree that as matters are developing a Coup d'Etat may be the only hope of saving Persia from Communism.
- 5. Incidentally in his talk with Henderson last night Musaddiq at first said that arbitration proposal had been my suggestion but almost immediately changed and took the credit for the idea himself. We suspect this is a sign both of his mental instability and of his [gp undec] to Kashani's influence.

Foreign Office please pass to Washington (Priority) as my telegram No. 134 and to Memin Fayid as my telegram No. 103 Saving.

[Repeated to Washington and Saving to Memin Fayid]

ADVANCE COPIES:-

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