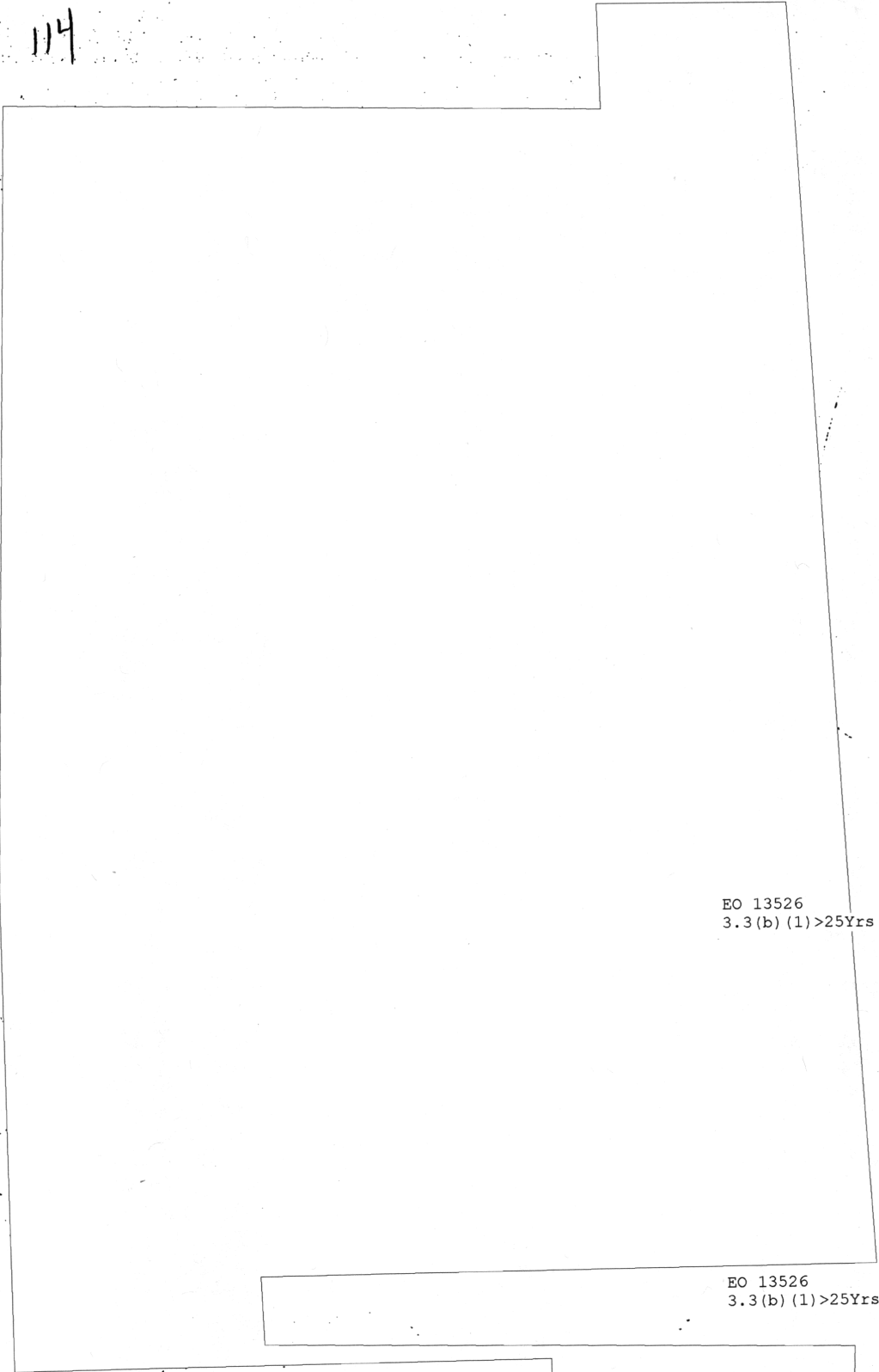


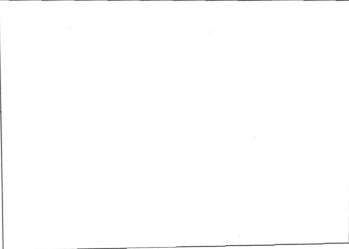
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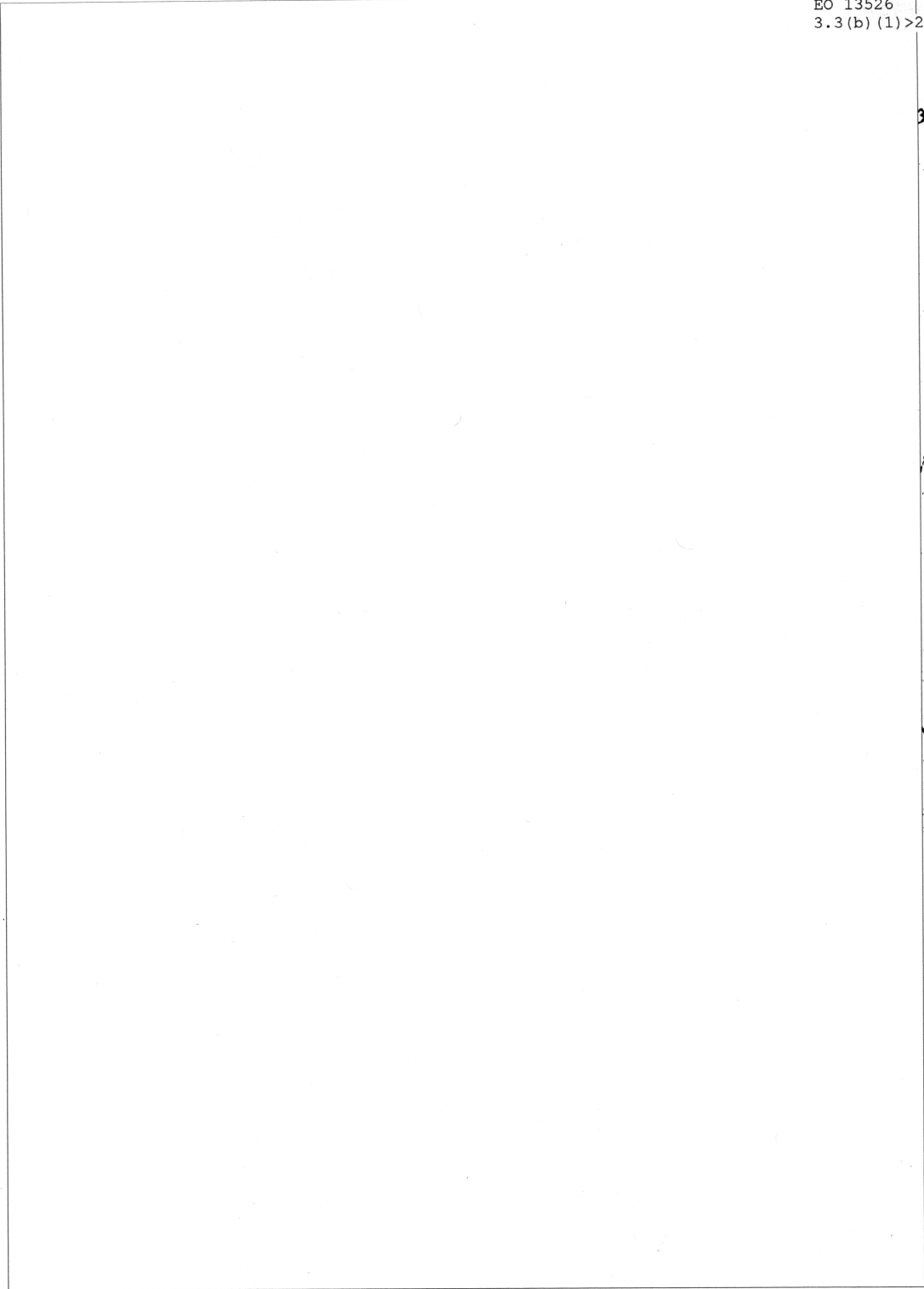


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Article appearing in Sada Lubnan, Beirut daily, 27 July 1953, page one, jumped to page four.

FEAR SOVIET EXPANSION INTO IRAN

Mossadeq's Acceptance of Russian Proposals Threatens Arab World

Teheran (undated) - Premier Mossadeq has decided to solve the problems confronting his government by a dangerous and internationally-explosive rapprochement with the USSR, according to a well-informed source in this capital.

In the face of approaching bankruptcy and the growing opposition to his political maneuvers, Mossadeq has to make certain basic decisions, according to the report. The specter of bankruptcy has arisen due to the premier's failure to sell Iranian oil in the world market and also, in great part, to his failure (or refusal) to clean out the corrupt elements in his own house. Heaviest elements among his growing opposition are the religious leaders, especially Kashani and Borujerdi, who disapprove of Mossadeq's friendly attitude toward Iranian Communists.

In a move that would seriously alter the political and economic situation in the whole Middle East, Mossadeq plans to solve his difficulties by accepting the following proposals, recently made by Soviet Ambassador Sadchikov here:

An immediate loan of 35 million dollars.

Economic assistance in greater magnitude than that of Point Four, plus free soviet personnel and opportunity of purchasing equipment at cost.

Purchase by the USSR of all the Iranian oil production at 50 percent discount.

Iran to expel all U.S. Point Four personnel and military missions.

The Iranian government to lift the ban on the Tudeh Party and schedule free elections next fall.

Iran to offer the opportunity to reopen the Soviet Consulate and other agencies expelled by former unfriendly governments.

The USSR to hold the 17 tons of Iranian gold presently in Moscow as a guarantee of good faith on the part of Iran.

Implementing of this plan presents obvious radical changes in the whole structure of political and economic norms in the Middle East. Observers here point out that when Mossadeq completes the deal with the Soviet Union, Iran will become potentially the strongest satellite of the Communist world. Her large population, abundant resources and strategic position will place her in the position of Russia's giant wedge, driving through the heart of the Orient, threatening to pinch off the remainder of the Far East on one side and operating against the Near East and Arab States on the other.

~~SECRET - SECURITY INFORMATION~~

The huge and relatively isolated free world, lying between the Mediterranean and Africa on one border and China on the other, would henceforth be forced to reckon with a potentially unbreakable economic and political force, resurgent with dangerous ideological overtones, occupying its center. This prospect, when the situation becomes better known and clarified, is expected to produce strong resentment and fear in neighboring Arab countries, where the threat of organized Communist expansion has, up to now, been largely a matter of theory rather than menacing reality.

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