

DEPARTMENT OF STATE

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STATEMENT BY
THE HONORABLE JOHN FOSTER DULLES
ON SIGNING OF AGREEMENT IN PRINCIPLE
BETWEEN THE GOVERNMENT OF IRAN AND THE
INTERNATIONAL OIL CONSORTIUM

It is with great pleasure that I have learned that the Iranian Government and members of the International Oil Consortium negotiating in Tehran have agreed to the principles under which they will cooperate to resume the production and refining of Iranian oil. I also understand that parallel talks taking place between Iran and the United Kingdom concerning compensation have resulted in a settlement satisfactory to both sides.

Detailed agreements must still be drawn up and will have to be approved by the boards of the several companies and by the Iranian Parliament. However, the United States is extremely pleased that another significant step has been achieved in the direction of a solution to a problem which has for several years worked hardships on Iran, Great Britain and, indeed, upon the free world as a whole.

Every member of the community of free nations stands to gain from the settlement of this issue between two of its members which has in the past operated as an irritant among countries which have so much in common and so much to gain from close friendship and collaboration.

The atmosphere reflecting the goodwill of all parties which has prevailed throughout the negotiations has been most gratifying. The results which have been announced in Tehran demonstrate again that, when goodwill exists and people strive earnestly and realistically, a way can always be found with honor and with fairness to overcome differences.

Five American companies have joined with the Anglo-Iranian Oil Company and with Dutch and French firms in this undertaking with the Government of Iran. Participation of these companies with Iran in this great enterprise will make it possible for Iranian oil in substantial quantities to begin to flow to markets almost immediately upon the conclusion of the final agreement. Iran will within a few years regain a position as one of the world's largest oil producing countries.

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The United States is particularly pleased that the revenues which will be derived by Iran under this agreement will provide means for our friends in that country to carry out a long-range development program which, under the leadership of His Imperial Majesty the Shah, has been designed to improve the welfare of the Iranian nation as a whole. The signature of the agreement should mark the beginning of a new era for Iran -- an era of great hope and of prosperity.

American interest in Iran and in Iranian progress has been demonstrated in many ways in the past. It is our intention to continue to demonstrate in practical ways that friendly interest.

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State--FD, Wash., D.C.