MEMORANDUM FOR THE PRESIDENT

THE WHITE HOUSE

It appears that, with some assistance from us, the present leaders of Iran may be able to capitalize on the wave of public opinion that could cause a virtual renaissance in that country.
The following are brief summaries of messages which might be transmitted to the President.

1. **General Zahedi:** The new Prime Minister behaved throughout this crisis with bravery and steadfastness. He is most appreciative of the President's message to him. Zahedi repeatedly impressed the essentiality of his government's receiving prompt and substantial economic assistance from the United States, particularly in the early stages, assistance which would produce immediate and visible results. He mentioned the road-building program as a particular example. General Zahedi has no love for the British but recognizes the importance of establishing good relations with them and repeated over and over again his strong desire not only for the resumption of diplomatic relations, but for an oil settlement as soon as possible.

2. **The Shah:** The Shah is a new man. For the first time he believes in himself because he feels that he is King by his people's choice. The Shah is not bitter about the past, but does feel that both Britain and America — but especially Britain — have made mistakes and have interfered unwisely in Iran in the past. He also feels that promises
have been made to him by the United States which were not honored. He recognizes now his debt to us and hopes, as he puts it, that we have a realistic understanding of the importance of Iran to us. Like General Zahedi he stresses the urgent need for prompt and substantial economic aid. He also spoke of military aid, a subject on which he has become more realistic in recent years. He no longer talks of jet planes and hundreds of tanks, but does talk of the equipment and training assistance needed to produce crack mountain troops. He is fully aware of the importance of the army to the security of his country and is also convinced -- as are many members of our military mission -- that with the proper help Iran can become a significant link in the Free World's defense. The Shah is now determined to provide the leadership his country needs and is counting on us to give him the necessary help. He expressed confidence that the President has the vision to see how it was now possible to change the whole strategic picture in the Middle East by taking advantage of the Iranian renaissance.

3. Sir Winston Churchill: the Prime Minister appeared to be in extremely bad shape. He had great difficulty in hearing; occasional difficulty in articulating; and apparent difficulty in seeing to his left.
He also understands the necessity for prompt economic aid to Iran without waiting either upon the restoration of diplomatic relations with Britain or an oil settlement. In fact he said very emphatically that if it were necessary he himself would provide economic aid to Iran before the restoration of diplomatic relations, although he did not explain how he thought this might be accomplished. He said that we have a wonderful and unexpected opportunity in Iran which might change the whole picture in the Middle East. He asked to tell the President that he was feeling much better and could "hang on as long as may be necessary."