TO: Secretary of State

CC: NIACT

SUBJECT: NIAC T E H R A N 3 0 (E Y E S O N L Y HARRIMAN AND GRADY)

EYES ONLY SECRETARY.

Pol is text UK note Shepherd will deliver to Iranian Govt as reported by 543, July 26:

BEGIN TEXT:

"His Majesty's Govt have read from Mr. Harriman proposals for negotiations between HMG and the Persian Govt re the dispute between the Persian Govt and the AIOC and for discussion of matters of mutual interest to the two Govts. HMG are glad to avail themselves of this invitation. They recognize the principle of nationalization of the oil industry in Persia.

HMG are prepared to send to Tehran an official mission headed by a Minister for the purpose of these negotiations. It will be appreciated by the Persian Govt, however, that this cannot be done while the company's operations continue to be interfered with and the company's management and staff continue to be subjected to vexations and restrictions on their normal activities. Therefore, before HMG can consider the despatch of the mission they must request that the Persian Govt shld send instructions to the competent auths to ensure that the present interference with the company's operations and the present vexations to the company's staff are discontinued."

GIFFORD

GEN:BF

NOTE: NEA message center notified 7/27 8:45 a.m. EMB (CWO)

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