FROM: Tehran

TO: Secretary of State

NO: 347, July 24, 1 p.m.

PRIORITy

SENT DEPT 347, LONDON 67, EYES ONLY AMBASSADOR

FROM HARRIMAN FOR THE PRESIDENT AND SECRETARY.

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"I omitted from my telegram earlier today reference to discussions with mixed oil committee regarding ICJ decision. Up to this time Brit have stuck to the court's decision, which I have pointed out to Iranians, while Iran Government has rejected that decision and has strictly adhered to nine point nationalization law. It has been with considerable difficulty that Iranians have been persuaded not (rpt not) to insist upon nine-point law as basis for discussions with British and it is obviously equally important that the British not (rpt not) interject the ICJ courts decision in their reply to Iran Government's offer of discussions. This does not (rpt not) mean, of course, that either side has repudiated its position if no (rpt no) settlement is reached in negotiations."

GRADY