FROM: Tehran

TO: Secretary of State

NO: 341, July 24, 1 p.m.

PRIORITY.

SENT DEPT 341, LONDON 66, EYES ONLY FOR AMBASSADOR.

FROM HARRIMAN FOR THE PRESIDENT AND SECRETARY.

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British should send one of their most responsible and skillful ministers if they are to achieve success. (re MYTEL 340, July 24) in negotiations. There is deep and historic suspicion of British officials in this country particularly those of the oil company. In spite of fact that British consider oil interest in Iran their greatest overseas asset, no (rpt no) minister has visited Iran as far as I can find out, except for Churchill and Eden on wartime business. Oil company directors have rarely come. Situation that has developed here is tragic example of absentee management combined with world-wide growth of nationalism in undeveloped countries. There is no (rpt no) doubt Iranians are ready to make great sacrifices in oil income to be rid of what they consider to be British colonial practices. Large groups are in mood to face any consequences to achieve this objective. It is clear that British reporting and recommendations from here have not (rpt not) been realistic, and it seems essential that member of British Government find out for himself what is going on here.

GRADY