From: London

To: Secretary of State

SUBJECT: US Embassy in Tehran

The US Embassy in Tehran has received a request from the Iranian government for the establishment of a joint commission to discuss the sale of oil to Iran. The request is to be presented to the foreign minister and the minister of oil.

The US government has been notified of this request and has been asked to consider it carefully. The US government is aware of the complexities involved in such a commission and is considering its response.

PLEASE PROVIDE THE US GOVERNMENT'S POSITION ON THIS REQUEST. WOULD THE US GOVERNMENT BE WILLING TO CONSIDER THE REQUEST OR WILL IT NEED TO BE REJECTED DUE TO THE COMPLEXITIES INVOLVED?

BEGIN TEXT:

"His Majesty's Government have received from Mr. Harriman proposals for negotiations between the Iranian Government and the US Government re the dispute between the Persian Government and the AIOC. They recognize the principle of the nationalization of the oil industry in Persia.

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

GIFFORD

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

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