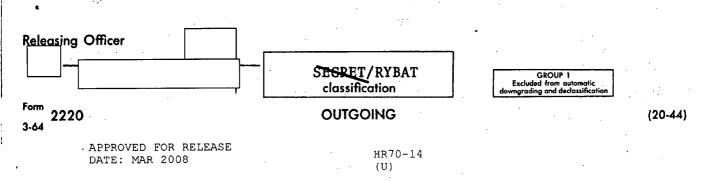


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COULD NOT BUY, LACKING HARD CURRENCY AND SECURE FLOW OF OIL TO WEST WOULD BE ASSURED. AFTER ALL, HE WILLING TO PUT UP ALL REQUIRED CAPITAL FOR FUTURE EXPANSION AND IMPROVEMENT OF FACILI-TIES AND WILLING PAY FOR EXISTING PLANT AT ITS UNAMORTIZED BOOK VALUE. HE CANNOT UNDERSTAND OIL COMPANY ARGUMENT THAT TAX-WISE THERE IS DIFFERENCE BETWEEN OIL AT WELL-HEAD AND OIL BOUGHT AT END OF A PIPE CONNECTING WELL-HEAD TO TANKERS. ENTIRE PIPE IS IN IRANIAN TERRITORY AFTER ALL, AND UN HAS CLEARLY ENDORSED CONCEPT OF NATIONAL CONTROL OF NATIONAL RESOURCES - ENTIRE UN WITH EXCEPTION OF U.S. AND U.K, THAT IS.

3. HE ALSO UNABLE UNDERSTAND BACKING AND FILLING ON TAFT REQUIREMENT AND OUR CONVOLUTED EFFORT GET AS MANY PERSONNEL AS POSSIBLE UNDER CIVILIAN CONTRACTOR STATUS. DID THIS MEAN WE BACKING AWAY FROM CLEAR COMMITMENT MADE BY PRESIDENT?

4. HE HAD HEARD FROM BHUTTO WHO UNABLE UNDERSTAND U.S. POLICY TOWARD PAKISTAN. WHY HAD WE SO QUICKLY APPOINTED AMBASSADOR TO INDIA WHICH PAKISTAN REMAINED WITHOUT ONE? DID WE THINK WE COULD LIVE WITH THAT "AWFUL OLD WOMAN"? (LATTER IS QUESTION.) 5. SOMEPLACE DURING THIS EXPOSITION, RNOUTSTAY WONDERED ALOUD

SECRET/RYBAT

classification OUTGOING

Releasing Officer

PAGE 2

TEHRAN

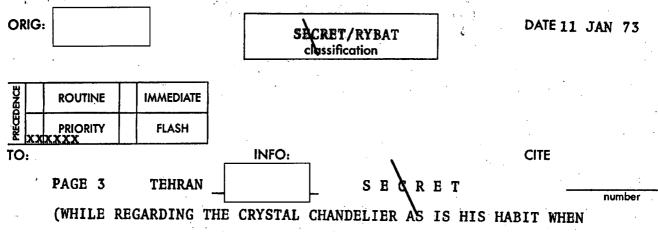
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GROUP 1

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TRYING SOMETHING ON FOR SIZE) WHETHER YOUR APPOINTMENT SOMEHOW RELATED TO THESE SIGNS OF U.S. EQUIVOCATION.

6. IN RESPONSE TO ALL THIS, I SAID THAT I THOUGHT HE MIS-READING SIGNS. OIL COMPANIES ARE OIL COMPANIES AS HE KNEW FAR BETTER THAN I. CHANGE IN TAX STRUCTURE CANNOT BE ACCOMPLISHED BY DECREE. (AT THIS HE INTERRUPTED TO SAY "THEN WE WILL LEGISLATE"). TAFT PROGRAM UNIQUE IN OUR EXPERIENCE AND NATURALLY REQUIRED WORKING OUT A LOT OF BUGS AS IS ALWAYS THE ? CASE WHEN SOMETHING DONE FOR THE FIRST TIME. ATTITUDE OF CONGRESS ALSO HAD TO BE TAKEN INTO ACCOUNT. (HE IS NOT MUCH IMPRESSED WITH ARGUMENT WHICH ADDUCES CONGRESS AS A SIGNIFICANT FACTOR.) I SAID I SAW NO CHANGE IN U.S. POLICY TOWARD HIS COUNTRY AND REMINDED HIM THAT HE HAD EXPRESSED SIMILAR MISGIVINGS OFF AND ON DURING THE PAST FOUR YEARS. THEY HAD NOT MATERIALIZED, AS HE DID HE REALLY SEE A CONNECTION BETWEEN YOUR APPOINTMENT KNEW. AND HIS MISGIVINGS? HE SAID "NO, OF COURSE NOT. I TURN THINGS OVER IN MY MIND AND NATURALLY FIND ALL SORTS OF SPECULATION POSSIBLE. I HAVE TOLD YOU BEFORE THIS IS THE PERSIAN PSYCHOLOGY

Releasing Officer

Form 2220 3-64

(20-44)

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	· · ·	AS HE CALLS IT, FOR ANOTHER			ГТО
		ANY OF THE POINTS MADE IN HI	· ·	. *·	• • • • •
		8. I HAVE BRIEFED	IN GENERAL TE	RMS ON MEETING	•
		9. EARLIER IN THE DAY I	SAW RORED AT HI	S REQUEST. HE	OPENED
	`	BY SAYING THERE "LOTS OF NOI	SE" ABOUT YOUR	APPOINTMENT.	ĤE
		CITED EXAMPLE OF SOVIET AMBA	SSADOR'S REMARK	TO HOVEYDA TO	EFFECT
•		YOUR APPOINTMENT OBVIOUSLY P	RESAGED TIGHTEN	ING OF IMPERIA	LIST
		GRIP ON AREA. HOVEYDA'S RES	PONSE WAS THAT	SOVIETS SENT OF	NLY
		THEIR TENTH RANKING KGB OFFI	CER AS AMBASSAD	OR TO IRAN WHE	REAS
1721		U.S. SENT NUMBER ONE BKHERAL	D. (THIS ALL I	N FUN, OF COUR	SE.)
		HOVEYDA WENT ON TO POINT OUT	THAT IRANIAN A	MBASSADOR TO FI	RANCE
s.		IS FORMER HEAD OF IRANIAN SE	RVICE AND OTHER	IRANIAN AMBAS	SADORS
i.		HAD SERVED AT HIGH LEVELS IN	IRANIAN SERVIC	E. RORED ASKEI	DME
		WHAT I THOUGHT. I OPINED PE	RSIAN PREDILECT	ION TO FALSELY	
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SECRET/RYBAT classification	GROUP 1. Excluded from automatic downgrading and declassification
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