

Department of State

XR PET 6 IRAN



699

PAGE Ø1 TEHRAN Ø4377 101003Z

21 ACTION E-04

INFD OCT-01 SS-20 NEA-08 AF-05 EUR - 14 ARA-11 NSC-10 EA-18

NSCE - ØØ INR - 07 CIAE-00 NSA-Ø1 L-02 PM-03 H-01

RSC-01 0EP-01 /108 W

022346

P R 100850Z AUG 71

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDO PRIORITY 5335

INFO AMEMBASSY LAGOS:

AMEMBASSY JIDDA

AMCONSUL! DHAHRAN

AMEMBASSY KUWAIT

AMEMBASSY TRIPOLI

USINT ALGIERS

AMEMBASSY DJAKARTA

AMEMBASSY CARACAS

AMEMBASSY LONDON

AMEMBASSY PARIS:

AMEMBASSY THE HAGUE

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY VIENNA



TEHRAN 4377

POSSIBLE OPER PARTICIPATION DEMANDS

REF

STATE 144382



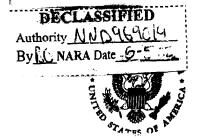
EMBASSY BELIEVES: NEXT OPEC: MEETING WILL BRING FORTH RESOLUTION CALLING FOR NEGOTIATIONS ON PARTICIPATION ISSUE AND POSSIBLY SET FORTH

SOME GENERALIZED GUIDELINES AND TIME FRAMEWORK FOR SUCH TALKS.

GOI STRONGLY SUPPORTS PARTICIPATION PRINCIPLE AND SHAH



DECLASSIFIED PA/HO Department of State E.O. 12958, as amended June 21, 2006



Department of State TELEGRAM

PAGE 02 TEHRAN 04377 101003Z

HAS OFTEN STRESSED PUBLICLY AND PRIVATELY NEED FOR PRODUCING COUNTRY EQUITY INTEREST IN ALL ASPECTS: OIL INDUSTRY "FROM WELL: TO GASOLINE PUMP". WE THEREFORE BELIEVE IRAN WILL: PLAY ACTIVE BUT MODERATING ROLE IN FORMULATING OPEC PARTICIPATION POLICY.

- 3. BRITISH EMBASSY TEHRAN INFORMS US THEY HAVE HEARD FORM AMOUZEGAR THAT OPEC WILL DEMAND 20 PERCENT INTEREST IN WESTERN OIL! COMPANIES. IN ADDITION, UK EMBASSY AT JIDDA HAS REPORTED SAUDIS (YAMANI) WILL STRONGLY BACK OPEC PARTICIPATION DEMAND.
- 4. WE DOUBT OPEC WILL PRESENT COMPANIES WITH OUTRIGHT ULTIMATUM BUT EXPECT GROUD WORK TO BE LAID FOR BUILD-UP OF PRESSURES ON COMPANIES FOR PARTICIPATION TALKS. CONSORTIUM REPS. (VAN REEVEN AND VESSEUR) HAVE CONFIRMED TO US THAT THEY EXPECT PARTICIPATION TO BE NEXT MAJOR OPEC ISSUE BUT IN PRESENT SUMMER DOLDRUMS APPEAR UNCONCERNED OVER PROSPECT OF CONFRONTATION IN NEAR FUTURE.
- WELCONSIDER: DEMARCHE AS: PROPOSED, BY UK: PREMATURE: AND INAPPROPRIATE - SINCE SHAHEHAS PUBLICLY STATED GOI POSITION, A DEMARCHE ON OUR PART AT THIS TIME WHICH HE WOULD CONSTRUE AS A REQUEST HE ABANDON HIS STATED POLICY WOULD IN ALLEPROBABILITY; CAUSEEHIMETOEREACTEIN A.WAYETHAT COULD BE COUNTERPRODUCTIVE: OPECHAS: YET TO ENUNCIATE PARTICIPATION POLICY AND ISSUED AT LEAST IN FIRST INSTANCED WOULD INVOLVE COMPANIES AND NOT CONSUMER GOVERNMENTS. USG APPROACH AT THIS TIME COULDS IN OUR VIEWS BE MISINTERPRETED AND MIGHT POSSIBLY PREUUDICE: FUTURE: EFFORT AT SOMETIME WHEN WE WISHED TO WEIGH IN HEAVILY ON SOME BASIC ASPECT OF THIS MATTER IN WHICH WE HAVE MOST LEGITIMATE GOVERNMENTAL INTEREST. IN ANY CASE ARGUMENTATION SUGGESTED BY BRITISH (PARA 4. REFTEL) WOULD NOT BE CONVINCING HERE PARTICULARLY SINCE AMOUZEGAR SUGGESTED THAT IRAN'S PARTICIPATION COULD BE FINANCED OVER TIME FROM COMPANY PROFITS, AND PARTICIPATION NEGOTIATIONS WOULD IN ANY CASE, TAKE SOME TIMES MACARTHUR

