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CLASSIFICATION: UNCLAS

14

NATIONAL SECURITY COUNCIL
REFERRAL

Date: March 20, 1976
NSC log # 7601421

MEMORANDUM FOR:

George S. Springsteen
Executive Secretary
Department of State

DOCUMENT DESCRIPTION:

To: Imperial Majesty Pahlavi
From: President
Date: March 19, 1976
Subject: Message to the Shah of Iran on the Iranian New Year

ACTION REQUESTED:

Draft reply for: President's Signature
 White House Staff
 Other _____
 Direct reply Furnish info copy
 Dispatch Translation
 Recommendations/Comments Appropriate Handling
 Other Information

DUE DATE:

COMMENTS:



Alma Davis
for Jeanne W. Davis
Staff Secretary

CLASSIFICATION: UNCLAS

10

THE WHITE HOUSE
WASHINGTON

March 19, 1976

Your Imperial Majesty:

This new Iranian year is a truly special occasion in marking the Golden Anniversary of the Pahlavi Dynasty and coinciding as well with the Bicentennial celebration of the United States. These two celebrations come at a time when relations between our two countries are especially close and when new cooperative ventures in many fields are reaching fruition. While these occasions cause us to look back with pleasure over many decades of good bilateral relations, they also mark a new departure point for the development of even closer ties in the future.

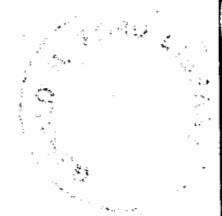
Your Imperial Majesty, on behalf of the United States of America, I wish you great success during this coming year. The American people have deep respect for the goals of domestic development which you have set for your country, and for your determination to maintain the path of peace through strength in foreign affairs. With your wisdom and farsightedness, and the application of Iran's resources and traditional energies, I know these aims will be achieved.

Mrs. Ford joins me in sending best wishes as well to Her Imperial Majesty, the Shahbanou.

Warm personal regards,



His Imperial Majesty
Mohammad Reza Pahlavi
Shahanshah of Iran
Tehran



THE PRESIDENT HAS SEEN

1421

MEMORANDUM

THE WHITE HOUSE
WASHINGTONACTION

March 19, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *WH/SC*

SUBJECT: Message to the Shah of Iran
on the Iranian New Year

This year, the Iranian New Year, celebrated on March 21, will coincide with the 50th anniversary of the Pahlavi dynasty begun by the Shah's father. The Iranian Government will celebrate the event with special ceremonies and the Department of State recommends that you sign a letter of congratulations to the Shah. In view of our special relationship with Iran and your personal acquaintance with the Shah, I concur in this recommendation.

A proposed letter is attached at Tab A and has been coordinated with Mr. Hartmann's office. The message will be forwarded telegraphically by the Department of State and your signed letter will follow.

RECOMMENDATION: That you sign the letter to the Shah of Iran at Tab A.

10

Bill
Why don't
you sign
off & send
this



Bud

MEMORANDUM

1421

NATIONAL SECURITY COUNCIL

W
AH
IE

ACTION
March 16, 1976

wff for

MEMORANDUM FOR BRENT SCOWCROFT
FROM: ROBERT B. OAKLEY *RO*
SUBJECT: Presidential Message to the Shah of Iran
on the Iranian New Year

State recommends that the President sign a letter of congratulations to the Shah of Iran for the Iranian New Year, which coincides with the 50th anniversary of the Pahlavi dynasty on March 21. Ambassador Zahedi has also mentioned this to you (attached).

At Tab I is a memo for the President seeking his signature on such a letter to the Shah. The text, drafted by State, has been coordinated with Mr. Hartmann's office (Smith).

RECOMMENDATION: That you forward the memo at Tab I to the President as soon as possible. [The letter should be signed at the latest by Friday, so that State can wire the message out in time for the celebration on Sunday.]

_____ APPROVE TAB I

_____ APPROVE TAB I AS AMENDED



14

THE WHITE HOUSE
WASHINGTON

2/26/76

Bob Oakley
Bob -

Amir Zuhdi suggests
we include the attached
reference in the
President's ~~birthday~~
~~letter to the Shah~~

NOT
until
October

Burnt

Probably related
to New Room

16

TO COMMEMORATE THE FIFTIETH ANNIVERSARY
OF THE PAHLAVI DYNASTY



Rosemary, It is usually not necessary to go the Pres on these, but since a hard cy of the msg has been requested, I see no other way. Loretta

14

Also ___ You may want to use State's recom re the Iranian New ^{year} Msges when you reply to your 1302 - a ltr written to the Pres and your 1365 - a ltr written to the VP.

S/S 7604879



DEPARTMENT OF STATE

Washington, D.C. 20520

March 10, 1976

LIMITED OFFICIAL USEMEMORANDUM FOR MR. BRENT SCOWCROFT
THE WHITE HOUSE

Subject: New Year (Now-Ruz) Message

March 21 is the Iranian New Year. In the past this occasion has not been marked with a Presidential message to the Shah. This year, however, will mark the 50th Anniversary of the Pahlavi dynasty, begun by the Shah's father. The Iranian Government will celebrate the event with special ceremonies. Iranian officials have made it clear that they hope for a Presidential message in recognition of the importance of the occasion to Iran.

We believe that a Presidential message this year on Iranian New Year is highly appropriate in view of the special relationship we have with Iran. A message will also in part reciprocate for the attention Iran is giving to our Bicentennial celebration. The Department's suggested message is attached.

If the President agrees to send the message, the Department will transmit it telegraphically to assure timely delivery. The Government of Iran has, however, requested that a signed original of the message be provided for inclusion in the official historical record of the celebration of the Golden Jubilee of the Pahlavi dynasty.


George S. Springsteen
Executive Secretary

Attachment:

Suggested message.

LIMITED OFFICIAL USE

Your Imperial Majesty:

This new Iranian year is a truly special occasion in marking the Golden Anniversary of the Pahlavi dynasty and coinciding as well with the two hundredth year since the birth of the United States. In a sense, this coincidence symbolizes the special linkage between our countries and peoples at a time when the relationship between Iran and the United States is especially close, and when the broadening community of interests, endeavors and opportunities continues to bring them closer still.

INSERT

Your Imperial Majesty, on behalf of the United States of America I wish you great success during this coming year. The American people have deep respect for the goals of domestic development which you have set for your country, and for your determination to maintain the path of peace ~~and cooperation~~ ^{through strength} in foreign affairs. With your wisdom and far-sightedness, and the application of Iran's resources and traditional energies, I know these aims will be achieved.

Mrs. Ford joins me in sending best wishes as well to Her ^{Imperial} Majesty, the Shahbanou.

~~With~~ Warm personal regards,

Gerald R. Ford

OK as amended
insert portion of State Dept
first paragraph for that above
R.F. Smith
3/16/76



1K

LIMITED OFFICIAL USE

NEA/IRN:BBMORTON:AMF
3/8/76 X20574
NEA:SSOBER

NEA/IRN:CWNAAS
WHITE HOUSE:

S/S:
S/S-S:MEDEHAM

ROUTINE

TEHRAN

State draft

E.O. 11652: N/A

TAGS: PFOR, IR

SUBJECT: SUGGESTED PRESIDENTIAL NOW-RUZ MESSAGE

1. PLEASE DELIVER FOLLOWING MESSAGE TO SHAH AT APPROPRIATE TIME PRIOR TO MARCH 21.

QUOTE. YOUR IMPERIAL MAJESTY:

THE IRANIAN YEAR WHICH BEGINS THIS MARCH 21 MARKS THE GOLD-EN JUBILEE OF THE PAHLAVI DYNASTY AND COINCIDES AS WELL WITH THE BICENTENNIAL CELEBRATION OF THE UNITED STATES. THESE TWO CELEBRATIONS COME AT A TIME WHEN RELATIONS BETWEEN OUR TWO COUNTRIES ARE ESPECIALLY CLOSE AND WHEN NEW COOPERATIVE VENTURES IN MANY FIELDS ARE REACHING FRUITION. WHILE THESE OCCASIONS CAUSE US TO LOOK BACK WITH PLEASURE OVER MANY DECADES OF GOOD BILATERAL RELATIONS, THEY ALSO MARK A NEW DEPARTURE POINT FOR THE DEVELOPMENT OF EVEN CLOSER TIES IN THE FUTURE.

INSERT

ON BEHALF OF THE AMERICAN PEOPLE, YOUR IMPERIAL MAJESTY, I WISH YOU GREAT SUCCESS IN THE NEW IRANIAN YEAR AS YOU GUIDE YOUR PEOPLE INTO THE BRIGHT FUTURE YOU HAVE OUTLINED IN

SS
BBM
CWNAAS
S/S
WH
MED



LIMITED OFFICIAL USE

FORM DS 322A(OCR)

LIMITED OFFICIAL USE

12

YOUR FAR-SIGHTED REVOLUTION OF THE SHAH AND PEOPLE. MY WIFE JOINS ME IN SENDING BEST WISHES AS WELL TO HER MAJESTY, THE SHAHBANOU, WHO HAS DEEPLY IMPRESSED THE AMERICAN PEOPLE DURING HER VISITS TO THE UNITED STATES AS ONE WHO SHARES YOUR HIGH ASPIRATIONS FOR THE PROGRESS OF YOUR NATION AND PEOPLE. WITH ~~SINCERE~~ ^{Warm personal} REGARDS, GERALD R. FORD. UNQUOTE.

2. WHITE HOUSE DOES NOT PLAN TO RELEASE TEXT BUT HAS NO OBJECTION SHOULD GOI WISH TO DO SO. DECONTROL UPON DELIVERY. 44

LIMITED OFFICIAL USE

14

THE WHITE HOUSE
WASHINGTON

3/19/76

Art:

Have had two calls on this one, appears
urgent...

~~Davis/~~ Davis and Oakley's office called and
the letter to the Shah has to be signed today or
else it will be to late, its for this Sunday....

tom

could you let me know so I can get back with
them..



1.11

NSC CORRESPONDENCE PROFILE

DOC		RECD			LOG NUMBER
MO	DA	MO	DA	HR	
3	10	3	10	17	7601421

INITIAL ACTION O
Oakley

TO: PRES _____ FROM: SECSTATE _____ S/S 7604879 UNCLAS LOG IN/OUT
 SCOWCROFT F SECDEF _____ LOU NO FORM MODIS
 HYLAND _____ DCI _____ X REF _____ C EYES ONLY EXDIS
 DAVIS _____ STATE EXSEC F _____ S CODEWORD
 OTHER _____ TS SENSITIVE

SUBJECT: *State Reconn re Les May re the
 Francis New Year (Now - Reg)
 Mar 21, 1976*

SOURCE/CLASS/DESCRIPTION

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION					REC CY FOR	ACTION REQUIRED
	ACTION	CONCURRENCE	COORDINATE	INFO		
ADV CYS S'CROFT/WGH						MEMO FOR SCOWCROFT
STAFF SECRETARY						MEMO FOR PRES <i>if appropriate</i> <u>F</u>
CONGRESSIONAL						REPLY FOR _____
ECONOMIC						APPROPRIATE ACTION _____
EUR/CANADA/OCEANS						MEMO _____ TO _____
FAR EAST/PRC						RECOMMENDATIONS _____
INTELLIGENCE						JOINT MEMO _____
LATIN AMERICA						REFER TO _____ FOR _____
MID EAST/NO. AFRICA	<u>F</u>				<u>X</u>	ANY ACTION NECESSARY? _____
NSC PLANNING						CONCURRENCE _____
PROGRAM ANALYSIS						DUE DATE: <u>3-12</u>
SCIENTIFIC						COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)
SUB-SAH/AFRICA/UN					<u>X</u>	

Leonard, M

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	STATUS	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	DUE	CY TO
3/16/76	<i>Oakley</i>	<i>Scowcroft</i>	<u>X</u>	<i>Pres for decision</i>	<u>3/19</u>	
3-16		<i>Pres</i>	<u>P</u>	<i>decision</i>		
3-19			<u>C</u>	<i>Pres sqd ltr to Shah</i>		

NSC/S DISP INSTR

DISPATCH VIA S/S per Horowitz 3/20/76
 SPECIAL DISPOSITION: _____
 SPECIAL INDEXING CLW: 7601302 & 7601365
 SUSPENSE CY ATTACHED X

MICROFILM & FILE ROOMS

M/F/D _____ BY 776 IF _____

CRT ID: _____ NS BY _____
 OPEN MSE _____
 CLOSE A _____

2A

MEMORANDUM

THE PRESIDENT HAS SEEN
THE WHITE HOUSE~~CONFIDENTIAL~~

WASHINGTON

March 22, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *B*

SUBJECT: Response from the Shah
on Nuclear Cooperation *NSC*

On February 23, ERDA Administrator Seamans and Under Secretary Maw met with the Shah in Tehran. Following your instructions (Tab C), they explored with the Shah the matter of nuclear controls that would permit us to reach a nuclear agreement with Iran. A report on these discussions is now being prepared.

Dr. Seamans and Mr. Maw delivered your letter to the Shah (Tab B) emphasizing our desire for fruitful nuclear cooperation with Iran and our commitment to the prevention of the use of nuclear technology for weapons purposes. We have asked Iran to play a leading role in controlling the spread of sensitive nuclear technology by foregoing the acquisition of nationally owned and operated reprocessing plants in favor of multinational control.

The Shah has responded warmly to your letter (Tab A). While confirming his own strong non-proliferation stance, he has pointed out that the Non-Proliferation Treaty (NPT) not only is intended to prevent proliferation but to facilitate the diffusion of peaceful nuclear technology. He has given no explicit commitment to multinational reprocessing, though his remarks do not rule it out and his oral remarks to Seamans and Maw give us some hope that a mutually acceptable compromise formula may be attainable.

Our next nuclear discussions with Iran are scheduled for mid-April, and a paper is being prepared for your consideration establishing our position for the April meeting.

No action is required on your part regarding the attached correspondence.

~~CONFIDENTIAL~~/GDS*W 3/5/76*



IMPERIAL EMBASSY OF IRAN

March 10, 1976

The Ambassador

Dear President Ford

I have the honor and the privilege to forward to you the enclosed letter dated March 4, 1976 which I have just received from my beloved Sovereign, His Imperial Majesty the Shahanshah Aryamehr. The letter is in response to your own which was delivered to His Imperial Majesty by Dr. Seamans and Under-Secretary Maw during their recent audience in Tehran.

May I also say what a great honor and a pleasure it will be, Mr. President, to see you this coming Monday at the swearing in of Governor Scranton and then again on Tuesday when you meet with our Minister of Economic Affairs and Finance, His Excellency Houshang Ansary.

*Responed
3/11*

With every assurance of my profound respect and high personal regard.

*may I congratulate your victory and
your success. oh may God bless you.
my sincerely yours
Abolmohsen
Abolmohsen Ghalandari*

The Honorable Gerald R. Ford
President of the United States of America
The White House
Washington, D. C.



JK



4th March, 1976.

Dear Mr. President,

I have received with great pleasure the letter which you entrusted to your Representatives Dr. Seamans and Under-Secretary Maw with whom I had interesting discussions during their recent visit to Tehran.

The personal interest which you have shown in the cooperation between our two countries in the field of nuclear energy is greatly appreciated and represents an important step forward in the conclusion of the proposed agreement between Iran and the United States of America.

I fully share your concern for the non-proliferation of nuclear weapons and, I appreciate your leadership and the significant role which the United States of America has assumed in this respect. Iran, as a signatory to the Non-Proliferation Treaty is certainly anxious to see that the Treaty is applied as widely as possible in its letter and spirit and will deploy any effort to foster this goal.

As you, Mr. President, are no doubt aware, the Non-Proliferation Treaty has two important aims that consist of preventing the spread of nuclear weapons and at the same time facilitating the exchange of nuclear technology, equipment and materials for peaceful purposes. As you yourself know so well, Iran has initiated an important nuclear programme in order to support its rapid economic development which necessitates the widespread and increasing use of energy. In order to assure the successful implementation of our nuclear programme, we will have to be assured of a flow of nuclear technology and the transfer of equipment and materials based on sound economic considerations. I would therefore very much hope, Mr. President, that your non-proliferation policy would remain flexible enough to allow a fruitful and meaningful cooperation to prevail between our two countries in the field of nuclear energy.

In keeping with the special relationship between our two countries and the importance which you and I attach to this matter, we look forward to





-2-

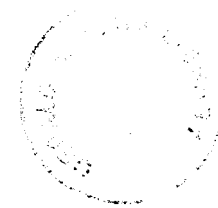
continuing our discussions in this regard which I trust will lead to the conclusion of the cooperation agreement in nuclear energy.

With best wishes,

Sincerely,

M. R. Pahlavan

*The Honourable Gerald R. Ford,
President of the United States of America,
WASHINGTON, D. C.*



REWRITE 1444

3/20/76

~~CONFIDENTIAL~~

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Response from the Shah
on Nuclear Cooperation

On February 23, ERDA Administrator Seamans and Under Secretary Maw met with the Shah in Tehran. Following your instructions (Tab C), they explored with the Shah the matter of nuclear controls that would permit us to reach a nuclear agreement with Iran. A report on these discussions is now being prepared.

Dr. Seamans and Mr. Maw delivered your letter to the Shah (Tab B) emphasizing our desire for fruitful nuclear cooperation with Iran and our commitment to the prevention of the use of nuclear technology for weapons purposes. We have asked Iran to play a leading role in controlling the spread of sensitive nuclear technology by foregoing the acquisition of nationally owned and operated reprocessing plants in favor of multinational control.

The Shah has responded warmly to your letter (Tab A). While confirming his own strong non-proliferation stance, he has pointed out that the Non-Proliferation Treaty (NPT) not only is intended to prevent proliferation but to facilitate the diffusion of peaceful nuclear technology. He has given no explicit commitment to multinational reprocessing, though his remarks do not rule it out and his oral remarks to Seamans and Maw give us some hope that a mutually acceptable compromise formula may be attainable.

Our next nuclear discussions with Iran are scheduled for mid-April, and a paper is being prepared for your consideration establishing our position for the April meeting.

No action is required on your part regarding the attached correspondence.

~~CONFIDENTIAL/GDS~~

ba 3/5/76



MEMORANDUM

INFORMATION - 1444

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Response from the Shah
on Nuclear Cooperation

On February 23, ERDA Administrator Seamans and Under Secretary Maw met with the Shah in Tehran. Following your instructions (Tab C), they explored with the Shah ~~for common understandings in~~ the matter of nuclear controls that would permit us to reach a nuclear agreement with Iran. A report on these discussions is now being prepared.

Dr. Seamans and Mr. Maw delivered your letter to the Shah (Tab B) ~~in which you emphasized both~~ our desire for fruitful nuclear cooperation with Iran and our commitment to the prevention of the use of ~~peaceful~~ nuclear technology for weapons purposes. ~~In this letter regard,~~ we have asked Iran to ~~take~~ ^{take} a leadership role in controlling the spread of sensitive nuclear technology by foregoing the acquisition of nationally owned and operated reprocessing plants in favor of ~~one under~~ multinational control.

The Shah has responded ~~in warm tones~~ ^{warmly} to your letter (Tab A). While confirming his own strong non-proliferation stance, he has ~~made the~~ point ^{let our} that the Non-Proliferation Treaty (NPT) not only is intended to prevent proliferation but to facilitate the diffusion of peaceful nuclear technology. He has given no explicit commitment to multinational reprocessing, though his remarks do not rule it out and his oral remarks to Seamans and Maw give us some hope that a mutually acceptable compromise formula may be attainable.

Our next nuclear discussions with Iran are scheduled for mid-April, ^{and} ~~although the subject may come up during the Vice President's talks with the Shah next week.~~ A paper is being prepared for your approval establishing our position for the April meeting. ^{consideration}

No ~~further~~ action is required on your part regarding the attached correspondence.

~~CONFIDENTIAL/GDS~~

b6 3/5/04



26

NSC CORRESPONDENCE PRGFILE

DOC		RECD			LOG NUMBER
MO	DA	MO	DA	HR	
3	10	3	11	18	760 1444

INITIAL ACTION O
Oakley

SOURCE/CLASS/DESCRIPTION

TO: PRES FROM: SECSTATE _____ S/S _____ UNCLAS LOG IN/OUT
 SCOWCROFT _____ SECDEF _____ LOU NO FORM MODIS
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 DAVIS _____ STATE EXEC _____ S CODEWORD
 OTHER *PAHLAVI, MOHAMMAD R* TS SENSITIVE
1 ZAHEDI, ARDESHIR

SUBJECT: *Act ltr to Pres for SHAH Pahlavi of Iran re US & Iran cooperation in nuclear energy research*

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION					REC CY FOR
	ACTION	CONCURRENCE	COORDINATE	INFO	
ADV CYS SCROFT WGH				<input checked="" type="checkbox"/>	
STAFF SECRETARY					
CONGRESSIONAL					
ECONOMIC					
EUR/CANADA/OCEANS					
FAR EAST/PRC					
INTELLIGENCE					
LATIN AMERICA					
MID EAST/NO. AFRICA	<input checked="" type="checkbox"/>				
NSC PLANNING					
PROGRAM ANALYSIS					
SCIENTIFIC					
SUB-SAH/AFRICA/UN					

ACTION REQUIRED

MEMO FOR SCOWCROFT _____

MEMO FOR PRES _____

REPLY FOR _____

APPROPRIATE ACTION _____

MEMO _____ TO _____

RECOMMENDATIONS _____

JOINT MEMO _____

REFER TO _____ FOR: _____

ANY ACTION NECESSARY? _____

CONCURRENCE _____

DUE DATE: *3/20*

COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	STATUS	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	DUE	CY TO
<i>3/16</i>		<i>Pres</i>	<input checked="" type="checkbox"/>	<i>Pres for info</i>	<i>3/23</i>	
<i>3-22</i>		<i>Pres</i>		<i>Info</i>		
<i>3-24</i>		<i>NSC/S</i>	<input checked="" type="checkbox"/>	<i>Noted by Pres</i>		

NSC/S INSTR

DISPATCH _____ NOTIFY _____

SPECIAL DISPOSITION: _____

SPECIAL INDEXING: *TYPE = HS*

SUSPENSE CY ATTACHED

MICROFILM & FILE ROOMS

M/F/D _____ BY _____

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OPEN *MAK*

CLOSE *ME*

NSG DY _____

WH SA FP _____

1976

PA

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

October 29, 1976

Your Imperial Majesty:

Your decision not to insist upon an oil price increase at the Bali OPEC meeting in May was an act of statesmanship which was important in determining the outcome of that meeting. Avoidance of an oil price increase is of such great importance to the maintenance of the global economic recovery now underway that I am writing to request your continued constructive leadership in order to prevent such an increase.

I have been kept fully informed of your concern earlier this year that decreased oil exports would seriously affect Iran's internal economic development and its ability to fulfill its role in the region. I have carefully noted, therefore, that the increased economic activity associated with recovery in a number of oil-importing countries is reducing the difficulties which you had anticipated in financing Iran's development and defense plans. I am told that in the last four months Iranian crude production has averaged nearly six million barrels a day.

It now appears likely that the OPEC countries will earn \$125 billion this year from their oil exports, about 20 percent more than in 1975 and more than 400 percent more than they earned in 1973 on a similar volume of oil exports. In contrast, our most careful analysis of the dollar prices of exports from the major industrialized countries to the oil producers indicates that these prices have risen by only 30 percent since mid-1973, and only 4 percent over the past year. Prices for our largest export -- grain -- have actually fallen; wheat prices averaged \$150 per ton in the first half of this year, compared to \$200 per ton in 1974.

~~SECRET~~

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, State Review 9/16/03
BY: , NARA, DATE 3/5/04



~~SECRET~~

- 2 -

The progress of industrialized countries in controlling inflation through major policy actions has been dramatic, considering all circumstances, with the average rate of inflation for major countries now standing at half the 1974 rate. In the United States prices are rising at about 6 percent annually, compared with 12 percent in 1974. It is likewise encouraging that certain oil-importing developing countries have begun to narrow their current account deficits in 1976 as a result of reduced inflation, rising exports and improved terms of trade. However, the balance of payments situation of many countries remains critical, while that of less fortunate energy deficient developing countries is truly desperate. Many countries have in fact virtually reached the end of their ability to borrow.

My deep concern, which I bring to your attention in the spirit of our close relationship, is that the favorable trends toward economic recovery will be reversed by the negative inflationary and balance of payments effects of a new increase in the price of oil. Several important industrialized countries which are experiencing economic difficulties and the attendant danger of political instability would encounter still more severe economic problems if faced next year with a new oil price increase. Similarly, the energy deficient developing nations would suffer additional damage to their prospects for economic growth and a further erosion of their already weak borrowing ability. This would add major new strains to the international financial system and intensify pressure on both industrialized and oil-producing nations to provide balance of payments support. Thus, the fragile and uneven nature of the global economic recovery requires that responsible nations avoid action which would endanger it.

Secretary Kissinger reported fully to me on his talks with you last August, and noted your concern about the need to maintain close cooperation between our two countries despite opposition in Congress and other circles. As the Secretary told you, this Administration is determined to continue to assist your nation in developing its military establishment and meeting its goals for economic development and to cooperate with Iran in seeking solutions to major regional and worldwide economic and political problems. I am sure you have been fully informed of the Administration's

~~SECRET~~

~~SECRET~~

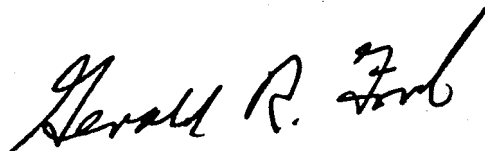
- 3 -

successful resistance to Congressional attempts to block the sale of F-16 aircraft and other military equipment to Iran. The struggle with certain segments of American opinion on this subject has by no means been won, however, and I fear that there will be further and perhaps greater pressures next year. By working together, we can overcome these pressures and solidify the close relationship between our two countries. However, Iranian support for an OPEC decision to increase the price of oil at this time would play directly into the hands of those who have been attacking our relationship.

The determination to strengthen the cooperation between important producing and consuming nations, which you and I share, is not universal. And yet this cooperation, and that between the developing and developed worlds, is a key element in the pursuit of the global political and economic stability which will allow all nations to achieve better lives for their peoples. I believe that further progress in a number of areas of the North-South relationship, including the official development assistance made available to the developing world, should be possible in the coming months. Your resistance to a further increase in the price of oil could be a significant influence in restraining the growth of pressures which threaten to divert us from the path of positive achievement in this important area.

Given this situation, I believe that the outcome of the December OPEC meeting will have far reaching economic and political consequences. Your Imperial Majesty's personal stature and Iran's position of international leadership provide an opportunity for a historically important contribution to political stability, economic prosperity and cooperation beneficial to Iran and to all nations. I therefore urge Your Imperial Majesty to give these concerns serious and positive consideration in making your decision on this matter.

Sincerely,



His Imperial Majesty
Mohammad Reza Pahlavi
Shahanshah of Iran
Tehran

~~SECRET~~



Department of State

~~SECRET~~

NOV 541

TELEGRAM

PAGE STATES OF AMERICA

STATE 267996

61

ORIGIN NODS-00

INFO OCT-01 ISO-00 /001 R

COPY 8 OF 15 COPIES

DRAFTED BY E:NDROGERS:CJS

APPROVED BY E:NDROGERS

W.H.: RHOUMATS

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TO AMEMBASSY TEHRAN NIACT IMMEDIATE

~~SECRET~~ STATE 267996

NODIS

EYES ONLY FOR THE AMBASSADOR

E.O. 11652: XGDS

TAGS:PFOR, ENRG, IR

SUBJECT: LETTER FROM PRESIDENT FORD TO HIS IMPERIAL MAJESTY MOHAMMAD REZA PAHLAVI:

1. AT THE EARLIEST APPROPRIATE TIME, AND IN ANY EVENT, NO LATER THAN COB MONDAY, NOVEMBER 1, PLEASE DELIVER THE FOLLOWING PERSONAL MESSAGE FROM PRESIDENT FORD TO HIS IMPERIAL MAJESTY, MOHAMMAD REZA PAHLAVI:

2. BEGIN TEXT. YOUR IMPERIAL MAJESTY: YOUR DECISION NOT TO INSIST UPON AN OIL PRICE INCREASE AT THE BALI OPEC MEETING IN MAY WAS AN ACT OF STATESMANSHIP WHICH WAS IMPORTANT IN DETERMINING THE OUTCOME OF THAT MEETING. AVOIDANCE OF AN OIL PRICE INCREASE IS OF SUCH GREAT IMPORTANCE TO THE MAINTENANCE OF THE GLOBAL ECONOMIC RECOVERY NOW UNDERWAY THAT I AM WRITING TO REQUEST YOUR CONTINUED CONSTRUCTIVE LEADERSHIP IN ORDER TO PREVENT SUCH AN INCREASE.

~~SECRET~~

DECLASSIFIED

E.O. 12958, SEC. 3.5

STATE DEPT. GUIDELINES, State Review 9/16/02

BY Wet

NARA DATE 3/5/04



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Department of State

TELEGRAM

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PAGE 02

STATE 267996

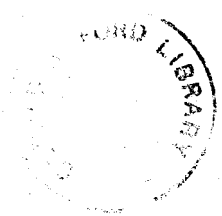
SECRET

3. I HAVE BEEN KEPT FULLY INFORMED OF YOUR CONCERN EARLIER THIS YEAR THAT DECREASED OIL EXPORTS WOULD SERIOUSLY AFFECT IRAN'S INTERNAL ECONOMIC DEVELOPMENT AND ITS ABILITY TO FULFILL ITS ROLE IN THE REGION. I HAVE CAREFULLY NOTED, THEREFORE, THAT THE INCREASED ECONOMIC ACTIVITY ASSOCIATED WITH RECOVERY IN A NUMBER OF OIL-IMPORTING COUNTRIES IS REDUCING THE DIFFICULTIES WHICH YOU HAD ANTICIPATED IN FINANCING IRAN'S DEVELOPMENT AND DEFENSE PLANS. I AM TOLD THAT IN THE LAST FOUR MONTHS IRANIAN CRUDE PRODUCTION HAS AVERAGED NEARLY SIX MILLION BARRELS A DAY.

4. IT NOW APPEARS LIKELY THAT THE OPEC COUNTRIES WILL EARN \$125 BILLION THIS YEAR FROM THEIR OIL EXPORTS, ABOUT 20 MORE THAN IN 1975 AND MORE THAN 400 MORE THAN THEY EARNED IN 1973 ON A SIMILAR VOLUME OF OIL EXPORTS. IN CONTRAST, OUR MOST CAREFUL ANALYSIS OF THE DOLLAR PRICES OF EXPORTS FROM THE MAJOR INDUSTRIALIZED COUNTRIES TO THE OIL PRODUCERS INDICATES THAT THESE PRICES HAVE RISEN BY ONLY 3% SINCE MID-1973, AND ONLY 4% OVER THE PAST YEAR. PRICES FOR OUR LARGEST EXPORT -- GRAIN -- HAVE ACTUALLY FALLEN; WHEAT PRICES AVERAGED \$150 PER TON IN THE FIRST HALF OF THIS YEAR, COMPARED TO \$200 PER TON IN 1974.

5. THE PROGRESS OF INDUSTRIALIZED COUNTRIES IN CONTROLLING INFLATION THROUGH MAJOR POLICY ACTIONS HAS BEEN DRAMATIC, CONSIDERING ALL CIRCUMSTANCES, WITH THE AVERAGE RATE OF INFLATION FOR MAJOR COUNTRIES NOW STANDING AT HALF THE 1974 RATE. IN THE UNITED STATES PRICES ARE RISING AT ABOUT 6% ANNUALLY, COMPARED WITH 12% IN 1974. IT IS LIKEWISE ENCOURAGING THAT CERTAIN OIL-IMPORTING DEVELOPING COUNTRIES HAVE BEGUN TO NARROW THEIR CURRENT ACCOUNT DEFICITS IN 1976 AS A RESULT OF REDUCED INFLATION, RISING EXPORTS AND IMPROVED TERMS OF TRADE. HOWEVER, THE BALANCE OF PAYMENTS SITUATION OF MANY COUNTRIES REMAINS CRITICAL, WHILE THAT OF LESS FORTUNATE ENERGY DEFICIENT DEVELOPING COUNTRIES IS TRULY DESPERATE. MANY COUNTRIES HAVE IN FACT VIRTUALLY REACHED THE END OF THEIR ABILITY TO BORROW.

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Department of State

TELEGRAM

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6. MY DEEP CONCERN, WHICH I BRING TO YOUR ATTENTION IN THE SPIRIT OF OUR CLOSE RELATIONSHIP, IS THAT THE FAVORABLE TRENDS TOWARD ECONOMIC RECOVERY WILL BE REVERSED BY THE NEGATIVE INFLATIONARY AND BALANCE OF PAYMENTS EFFECTS OF A NEW INCREASE IN THE PRICE OF OIL. SEVERAL IMPORTANT INDUSTRIALIZED COUNTRIES WHICH ARE EXPERIENCING ECONOMIC DIFFICULTIES AND THE ATTENDANT DANGER OF POLITICAL INSTABILITY WOULD ENCOUNTER STILL MORE SEVERE ECONOMIC PROBLEMS IF FACED NEXT YEAR WITH A NEW OIL PRICE INCREASE. SIMILARLY, THE ENERGY DEFICIENT DEVELOPING NATIONS WOULD SUFFER ADDITIONAL DAMAGE TO THEIR PROSPECTS FOR ECONOMIC GROWTH AND A FURTHER EROSION OF THEIR ALREADY WEAK BORROWING ABILITY. THIS WOULD ADD MAJOR NEW STRAINS TO THE INTERNATIONAL

~~SECRET~~

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7. SECRETARY KISSINGER REPORTED FULLY TO ME ON HIS TALKS WITH YOU LAST AUGUST, AND NOTED YOUR CONCERN ABOUT THE NEED TO MAINTAIN CLOSE COOPERATION BETWEEN OUR TWO COUNTRIES DESPITE OPPOSITION IN CONGRESS AND OTHER CIRCLES. AS THE SECRETARY TOLD YOU, THIS ADMINISTRATION IS DETERMINED TO CONTINUE TO ASSIST YOUR NATION IN DEVELOPING ITS MILITARY ESTABLISHMENT AND MEETING ITS GOALS FOR ECONOMIC DEVELOPMENT AND TO COOPERATE WITH IRAN IN SEEKING SOLUTIONS TO MAJOR REGIONAL AND WORLD-WIDE ECONOMIC AND POLITICAL PROBLEMS. I AM SURE YOU HAVE BEEN FULLY INFORMED OF THE ADMINISTRATION'S SUCCESSFUL RESISTANCE TO CONGRESSIONAL ATTEMPTS TO BLOCK THE SALE OF F-16 AIRCRAFT AND OTHER MILITARY EQUIPMENT TO IRAN. THE STRUGGLES WITH CERTAIN SEGMENTS OF AMERICAN OPINION ON THIS SUBJECT HAS BY NO MEANS BEEN WON, HOWEVER, AND I FEAR THAT THERE WILL BE FURTHER AND PERHAPS GREATER PRESSURES NEXT YEAR. BY WORKING TOGETHER, WE CAN OVERCOME THESE PRESSURES AND SOLIDIFY

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Department of State

TELEGRAM

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PAGE 04

STATE 267996

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THE CLOSE RELATIONSHIP BETWEEN OUR TWO COUNTRIES. HOWEVER, IRANIAN SUPPORT FOR AN OPEC DECISION TO INCREASE THE PRICE OF OIL AT THIS TIME WOULD PLAY DIRECTLY INTO THE HANDS OF THOSE WHO HAVE BEEN ATTACKING OUR RELATIONSHIP.

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~~SECRET~~

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10. THE ABOVE LETTER SHOULD BE DATED OCTOBER 29, 1976.
KISSINGER

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Department of State

TELEGRAM

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PAGE 01 STATE 268203

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EYES ONLY FOR THE AMBASSADOR

E.O. 11652: XGDS

TAGS: PFOR, ENRG, VE

SUBJECT: LETTER FROM PRESIDENT FORD TO HIS IMPERIAL MAJESTY
MUHAMMAD REZA PAHLAVI

REF: STATE 267996 (NODIS)

1. AS INDICATED IN SORENSON-HELMS TELECOM OF SEPTEMBER 30,
(11:30 A.M. WASHINGTON TIME), MESSAGE FROM PRESIDENT TO
SHAH TRANSMITTED REFTEL CONTAINED ERRORS WHICH SHOULD BE
CORRECTED BEFORE DELIVERY. SPECIFICALLY, PERCENT SIGNS
AFTER SEVERAL FIGURES IN BOTH PARA 4 AND 5 OF REFTEL WERE
OMITTED DURING TRANSMISSION.

2. CORRECTED PARAGRAPH 4 SHOULD READ:

QUOTE. IT NOW APPEARS LIKELY THAT THE OPEC COUNTRIES WILL
EARN \$125 BILLION THIS YEAR FROM THEIR OIL EXPORTS, ABOUT
20 PERCENT MORE THAN IN 1975 AND MORE THAN 400 PERCENT
MORE THAN THEY EARNED IN 1973 ON A SIMILAR VOLUME OF OIL
EXPORTS. IN CONTRAST, OUR MOST CAREFUL ANALYSIS OF THE

~~SECRET~~

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E.O. 12958, SEC. 3.5

STATE DEPT. GUIDELINES *State Review 9/16/03*

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Department of State

TELEGRAM

SECRET

PAGE 02 STATE 268203

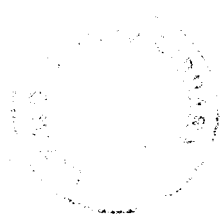
DOLLAR PRICES OF EXPORTS FROM THE MAJOR INDUSTRIALIZED COUNTRIES TO THE OIL PRODUCERS INDICATES THAT THESE PRICES HAVE RISEN BY ONLY 30 PERCENT SINCE MID-1973, AND ONLY 4 PERCENT OVER THE PAST YEAR. PRICES FOR OUR LARGEST

EXPORT -- GRAIN -- HAVE ACTUALLY FALLEN; WHEAT PRICES AVERAGED \$150 PER TON IN THE FIRST HALF OF THIS YEAR, COMPARED TO \$200 PER TON IN 1974. UNQUOTE

3. CORRECTED PARAGRAPH 5, SECOND SENTENCE, SHOULD READ:

QUOTE. IN THE UNITED STATES PRICES ARE RISING AT ABOUT 6 PERCENT ANNUALLY, COMPARED WITH 12 PERCENT IN 1974. UNQUOTE. KISSINGER

SECRET



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Vertical strip containing the word 'SECRET' repeated multiple times in a stylized font.



Department of State

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TELEGRAM

PAGE 61 STATE 267996

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~~SECRET~~ STATE 267996

Pres. Ford -> Shah

NODIS
EYES ONLY FOR THE AMBASSADOR

E.O. 11652: XGDS

TAGS:PFOR, ENRG, IR

SUBJECT: LETTER FROM PRESIDENT FORD TO HIS IMPERIAL MAJESTY MOHAMMAD REZA PAHLAVI:

1. AT THE EARLIEST APPROPRIATE TIME, AND IN ANY EVENT, NO LATER THAN COB MONDAY, NOVEMBER 1, PLEASE DELIVER THE FOLLOWING PERSONAL MESSAGE FROM PRESIDENT FORD TO HIS IMPERIAL MAJESTY, MOHAMMAD REZA PAHLAVI:

2. BEGIN TEXT. YOUR IMPERIAL MAJESTY: YOUR DECISION NOT TO INSIST UPON AN OIL PRICE INCREASE AT THE BALI OPEC MEETING IN MAY WAS AN ACT OF STATESMANSHIP WHICH WAS IMPORTANT IN DETERMINING THE OUTCOME OF THAT MEETING. AVOIDANCE OF AN OIL PRICE INCREASE IS OF SUCH GREAT IMPORTANCE TO THE MAINTENANCE OF THE GLOBAL ECONOMIC RECOVERY NOW UNDERWAY THAT I AM WRITING TO REQUEST YOUR CONTINUED CONSTRUCTIVE LEADERSHIP IN ORDER TO PREVENT SUCH AN INCREASE.

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E.O. 12958, SEC. 3.5

STATE DEPT. GUIDELINES, State Review 8/16/03

BY *Ch* NARS DATE 2/5/04



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Department of State

TELEGRAM

~~SECRET~~

PAGE 02

STATE 267996

3. I HAVE BEEN KEPT FULLY INFORMED OF YOUR CONCERN EARLIER THIS YEAR THAT DECREASED OIL EXPORTS WOULD SERIOUSLY AFFECT IRAN'S INTERNAL ECONOMIC DEVELOPMENT AND ITS ABILITY TO FULFILL ITS ROLE IN THE REGION. I HAVE CAREFULLY NOTED, THEREFORE, THAT THE INCREASED ECONOMIC ACTIVITY ASSOCIATED WITH RECOVERY IN A NUMBER OF OIL-IMPORTING COUNTRIES IS REDUCING THE DIFFICULTIES WHICH YOU HAD ANTICIPATED IN FINANCING IRAN'S DEVELOPMENT AND DEFENSE PLANS. I AM TOLD THAT IN THE LAST FOUR MONTHS IRANIAN CRUDE PRODUCTION HAS AVERAGED NEARLY SIX MILLION BARRELS A DAY.

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Department of State

TELEGRAM

~~SECRET~~

PAGE 03

STATE 267996

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Department of State

TELEGRAM

~~SECRET~~

PAGE 04

STATE 267996

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10. THE ABOVE LETTER SHOULD BE DATED OCTOBER 29, 1976.
KISSINGER

~~SECRET~~

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IMPERIAL EMBASSY OF IRAN

*Delivered from Emb
of Iran 2:20pm, Sat
11/6/76*

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November 5, 1976

The Ambassador

Dear Mr. President

I have the honour and the privilege, Mr. President, to forward to you the enclosed letter dated November 1, 1976 which I have just received from His Imperial Majesty the Shahanshah Aryamehr in Tehran. His Majesty's letter is in response to your own of October 29, 1976 and deals with oil and other matters of mutual interest to our two nations.

With every assurance of my enduring respect and high personal regard.

*God Bless you sir
Very truly yours
AS EVER*

Abulhasan Ali Nadwi

The President of the United States of America
The White House
Washington, D. C. 20500



1st November, 1976.

Dear Mr. President,

I thank you for your letter of 29th October 1976 containing your views on various questions of mutual interest.

As you yourself, Mr. President, are aware, Iran did not insist on an oil price increase at the Bali OPEC meeting in May, despite the fact that many members of the Organization had proved that the oil exporting countries had lost a great deal of their purchasing power. This decrease in our purchasing power has for some time now been no less than 40 percent and that from a rapidly depleting finite product. Our hope in Bali was that the world would recover and, in the meantime, that the Paris Conference between North and South would lead to certain meaningful developments in the interest of all.

I would like to reaffirm the fact that Iran has all along advocated two fundamental principles with regard to the energy question. Firstly, that if oil is sold cheaply, no alternative source of energy will be developed and the world dependence on the rapidly depleting supplies of oil will continue to increase. As I have repeatedly stressed in the past, this vital product must be preserved for more noble purposes such as the production of petrochemicals including fertilizers and numerous other beneficial derivatives rather than for heating, lighting and power. Secondly, we have proposed that the solution of the world's energy problem lies in the implementation of effective programmes for the development of alternative sources of energy and oil conservation. Such a development and conservation cannot take place unless the price of oil is adjusted to the level of that required to develop an alternative source of energy. In addition, this price will have to be protected against imported inflation through indexation or linking the price of oil to that of commodities and services imported by the developing countries.

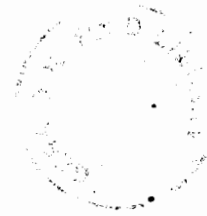
With regard to your reference, Mr. President, to the progress achieved by the industrialized countries in controlling inflation, I must point out that this may be the case with the United States of America, the Federal Republic of Germany and Japan. On the other hand, we know that many of the economies of the developed countries of the world are sick and in a precarious state. We are purchasing commodities also from the

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E.O. 12958, Sec. 3.5

State Dept. Guidelines, State Review 9/16/03

By hh, NARA, Date 3/5/04





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United Kingdom, France and Italy and we find that their inflation is running very high sometimes even at the rate of more than 20 percent. I realize that their balance of payments situation remains critical, but this certainly does not justify our committing suicide by paying for their failure or inability to put their house in order by succeeding in making the necessary adjustments in their economy through domestic measures.

The United States of America two years ago introduced an energy independence programme to be achieved by 1980. In fact since that time, the dependence of the United States on imported oil has increased to 45 percent and in 1976 alone the imports of oil into your country are expected to rise by nearly 20 percent. Concerning Iran's position, I feel constrained to say that not only has our purchasing power been eroded by 40 percent but we also experienced a sharper decline in our oil exports in 1975 and in early 1976. Furthermore, though the industrialized countries have been making efforts to reduce inflation, these measures have been only partially successful in relation to domestic prices while their export prices have continued to rise as rapidly as in the past. In this respect, my country has in some cases, especially with regard to the United States, been purchasing items in 1976 at prices 400 percent higher than those that prevailed in 1973. Thus our treasury is feeling a much greater loss of revenues in real terms. As for your reference to the price of grain, I would like to draw your attention, Mr. President, to the fact that unlike petroleum, wheat is a renewable commodity and the factors determining the price of these items are quite different. Moreover, the recent decline in world wheat prices was due to the bumper crops in the United States, the Soviet Union and in many other countries including my own where this year we will not require to purchase wheat from abroad.

You are no doubt fully aware, Mr. President, of my deep concern for the need to maintain close cooperation between our two countries. However, if there is any opposition in the Congress and in other circles to see Iran prosperous and militarily strong, there are many other sources of supply to which we can turn for our life is not in their hands. If these circles are irresponsible then it is hopeless, but should they be responsible, they will certainly regret their attitude to my country. Nothing could provoke more reaction in us than this threatening tone from certain circles and their



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paternalistic attitude.

As you will no doubt agree, Mr. President, Iran has always followed a policy of restraint and moderation, but the incredible economic situation of some Western countries is such that history will not forgive us should we deplete our finite and most precious wealth just to allow these countries to continue their politicizing and indecision. Nevertheless, you may rest assured, Mr. President, that in the councils of OPEC, Iran has adopted one of the most moderate attitudes.

With best wishes and kindest regards,

Sincerely,

M. R. Pahlavi

*The Honourable
Gerald R. Ford,
President of the United States of America,
WASHINGTON, D. C.*

O. B. ...
~~*...*~~

*(Ken S. ... orig)
(Hornets has ...)*

*Delivered from Emb
of Iran 2:20 pm, Sat,
11/6/76
(By sent. to LSE
for NK)*



IMPERIAL EMBASSY OF IRAN

November 5, 1976

The Ambassador

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AS EVER*

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The White House
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As you yourself, Mr. President, are aware, Iran did not insist on an oil price increase at the Bali OPEC meeting in May, despite the fact that many members of the Organization had proved that the oil exporting countries had lost a great deal of their purchasing power. This decrease in our purchasing power has for some time now been no less than 40 percent and that from a rapidly depleting finite product. Our hope in Bali was that the world would recover and, in the meantime, that the Paris Conference between North and South would lead to certain meaningful developments in the interest of all.

I would like to reaffirm the fact that Iran has all along advocated two fundamental principles with regard to the energy question. Firstly, that if oil is sold cheaply, no alternative source of energy will be developed and the world dependence on the rapidly depleting supplies of oil will continue to increase. As I have repeatedly stressed in the past, this vital product must be preserved for more noble purposes such as the production of petrochemicals including fertilizers and numerous other beneficial derivatives rather than for heating, lighting and power. Secondly, we have proposed that the solution of the world's energy problem lies in the implementation of effective programmes for the development of alternative sources of energy and oil conservation. Such a development and conservation cannot take place unless the price of oil is adjusted to the level of that required to develop an alternative source of energy. In addition, this price will have to be protected against imported inflation through indexation or linking the price of oil to that of commodities and services imported by the developing countries.

With regard to your reference, Mr. President, to the progress achieved by the industrialized countries in controlling inflation, I must point out that this may be the case with the United States of America, the Federal Republic of Germany and Japan. On the other hand, we know that many of the economies of the developed countries of the world are sick and in a precarious state. We are purchasing commodities also from the

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E.O. 12958, Sec. 3.5

State Dept. Guidelines

By

NARA, Date

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United Kingdom, France and Italy and we find that their inflation is running very high sometimes even at the rate of more than 20 percent. I realize that their balance of payments situation remains critical, but this certainly does not justify our committing suicide by paying for their failure or inability to put their house in order by succeeding in making the necessary adjustments in their economy through domestic measures.

The United States of America two years ago introduced an energy independence programme to be achieved by 1980. In fact since that time, the dependence of the United States on imported oil has increased to 45 percent and in 1976 alone the imports of oil into your country are expected to rise by nearly 20 percent. Concerning Iran's position, I feel constrained to say that not only has our purchasing power been eroded by 40 percent, but we also experienced a sharper decline in our oil exports in 1975 and in early 1976. Furthermore, though the industrialized countries have been making efforts to reduce inflation, these measures have been only partially successful in relation to domestic prices while their export prices have continued to rise as rapidly as in the past. In this respect, my country has in some cases, especially with regard to the United States, been purchasing items in 1976 at prices 400 percent higher than those that prevailed in 1973. Thus our treasury is feeling a much greater loss of revenues in real terms. As for your reference to the price of grain, I would like to draw your attention, Mr. President, to the fact that unlike petroleum, wheat is a renewable commodity and the factors determining the price of these items are quite different. Moreover, the recent decline in world wheat prices was due to the bumper crops in the United States, the Soviet Union and in many other countries including my own where this year we will not require to purchase wheat from abroad.

You are no doubt fully aware, Mr. President, of my deep concern for the need to maintain close cooperation between our two countries. However, if there is any opposition in the Congress and in other circles to see Iran prosperous and militarily strong, there are many other sources of supply to which we can turn, for our life is not in their hands. If these circles are irresponsible then it is hopeless, but should they be responsible, they will certainly regret their attitude to my country. Nothing could provoke more reaction in us than this threatening tone from certain circles and their



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paternalistic attitude.

As you will no doubt agree, Mr. President, Iran has always followed a policy of restraint and moderation, but the incredible economic situation of some Western countries is such that history will not forgive us should we deplete our finite and most precious wealth just to allow these countries to continue their politicizing and indecision. Nevertheless, you may rest assured, Mr. President, that in the councils of OPEC, Iran has adopted one of the most moderate attitudes.

With best wishes and kindest regards,

Sincerely,

M. R. Paklari

*The Honourable
Gerald R. Ford,
President of the United States of America,
WASHINGTON, D. C.*



*Delivered from Embassy
of Iran 2:20 pm, Sat,
11/6/76*



IMPERIAL EMBASSY OF IRAN

November 5, 1976

The Ambassador

Dear Mr. President

I have the honour and the privilege, Mr. President, to forward to you the enclosed letter dated November 1, 1976 which I have just received from His Imperial Majesty the Shahanshah Aryamehr in Tehran. His Majesty's letter is in response to your own of October 29, 1976 and deals with oil and other matters of mutual interest to our two nations.

With every assurance of my enduring respect and high personal regard.

*God Bless you Sir
Very Sincerely yours
As Ever*

Abolmohsen Zafar

The President of the United States of America
The White House
Washington, D. C. 20500





1st November, 1976.

Dear Mr. President,

I thank you for your letter of 29th October 1976 containing your views on various questions of mutual interest.

As you yourself, Mr. President, are aware, Iran did not insist on an oil price increase at the Bali OPEC meeting in May, despite the fact that many members of the Organization had proved that the oil exporting countries had lost a great deal of their purchasing power. This decrease in our purchasing power has for some time now been no less than 40 percent and that from a rapidly depleting finite product. Our hope in Bali was that the world would recover and, in the meantime, that the Paris Conference between North and South would lead to certain meaningful developments in the interest of all.

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State Dept. Guidelines

By lbt, NARA, Date 3/5/04 *State Review 8/16/03*



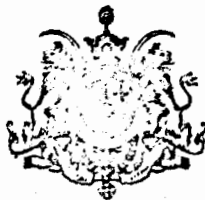


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The United States of America two years ago introduced an energy independence programme to be achieved by 1980. In fact since that time, the dependence of the United States on imported oil has increased to 45 percent and in 1976 alone the imports of oil into your country are expected to rise by nearly 20 percent. Concerning Iran's position, I feel constrained to say that not only has our purchasing power been eroded by 40 percent, but we also experienced a sharper decline in our oil exports in 1975 and in early 1976. Furthermore, though the industrialized countries have been making efforts to reduce inflation, these measures have been only partially successful in relation to domestic prices while their export prices have continued to rise as rapidly as in the past. In this respect, my country has in some cases, especially with regard to the United States, been purchasing items in 1976 at prices 400 percent higher than those that prevailed in 1973. Thus our treasury is feeling a much greater loss of revenues in real terms. As for your reference to the price of grain, I would like to draw your attention, Mr. President, to the fact that unlike petroleum, wheat is a renewable commodity and the factors determining the price of these items are quite different. Moreover, the recent decline in world wheat prices was due to the bumper crops in the United States, the Soviet Union and in many other countries including my own where this year we will not require to purchase wheat from abroad.

You are no doubt fully aware, Mr. President, of my deep concern for the need to maintain close cooperation between our two countries. However, if there is any opposition in the Congress and in other circles to see Iran prosperous and militarily strong, there are many other sources of supply to which we can turn, for our life is not in their hands. If these circles are irresponsible then it is hopeless, but should they be responsible, they will certainly regret their attitude to my country. Nothing could provoke more reaction in us than this threatening tone from certain circles and their



-3-

paternalistic attitude.

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With best wishes and kindest regards,

Sincerely,

M. R. Paklari

*The Honourable
Gerald R. Ford,
President of the United States of America,
WASHINGTON, D. C.*



9A

January 7, 1977

Your Imperial Majesties:

Mrs. Ford, the children and I wish to thank you for your kindness in remembering us at Christmas. Your thoughtful gifts added greatly to our enjoyment of the Holiday Season.

Mrs. Ford asks that I convey as well her appreciation of your gracious expression of congratulations through Ambassador Zahedi for the honorary degree that was bestowed on her.

With our warmest personal regards and best wishes.

Sincerely,

/s/ Gerald R. Ford

**Their Imperial Majesties
The Shahanshah and Shahbanou of Iran
Tehran**

RCM:ms:1/6/77



9B

January 7, 1977

Dear Mr. Ambassador:

**You were so very kind to send to Mrs. Ford and me,
and to the children this Christmas such lovely gifts.
We have enjoyed them through the Holiday Season.**

**It was particularly kind of you to have them and the
gifts from Their Imperial Majesties delivered to us
in Vail. I have expressed my appreciation in a separate
letter to the Shahanshah and Shahbanou, which I would
appreciate your sending on to Their Majesties.**

With warmest best wishes from all of us.

Sincerely,

/s/ Gerald R. Ford

**His Excellency
Ardeshir Zahedi
Ambassador Of Iran
Imperial Embassy of Iran
Washington, D. C.**





IMPERIAL EMBASSY OF IRAN

December 21, 1976

The Ambassador

Dear President And Mrs Ford

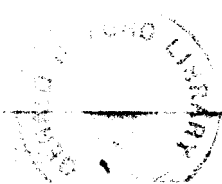
I have the honour and the privilege to convey to you these Christmas gifts which have been sent by Their Imperial Majesties the Shahanshah and Shahbanou from Tehran.

May I also be permitted to take this opportunity to convey to you my sincerest good wishes for your happiness and well-being not only at Christmas time but throughout the coming year.

This morning when I had the privilege to talk to his majesty by phone. He asked me again to convey to you Mr. President and your beautiful lovely lady. The 1st lady of U.S.A their congratulations on Honey Digger of Mrs Ford and their many many Christmas to the lovely Ford Family.

The President of the United States
of America and Mrs. Ford
The White House
Washington, D. C.

*Good be with you
Very Sincerely yours
As ever
Oulashi Zohed*



AD



IMPERIAL EMBASSY OF IRAN

December 22, 1976

The Ambassador

My dear Brent

It was so good to talk to you by telephone earlier today and I really do appreciate your assistance with these gifts.

I am now sending Mr. Nasser Sadeghi, a member of the diplomatic staff of the Embassy, with the items which we discussed. Eight boxes of the caviar have been sent by Their Imperial Majesties for President and Mrs. Ford. My covering letter is also enclosed. In addition, I am sending two boxes of chocolates and four of pistachios to them myself as well as a Persian notepad for each of the children. I also had a few things here for you and your family for the holidays so thought you might enjoy having them in Vail.

With my kindest regards and in the hope of seeing you again soon after your return.

God Bless you

*Very Sincerely Yours
Ardestani*

Lt. General Brent Scowcroft
Assistant to the President for National Security Affairs
The Vail White House
Vail, Colorado

