

NP, NSC, VIP VISITS
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MEZ SHAH, DC, 10/21-23/69 735
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Authority NND 978042
By EW NARA Date 5-14-02 M

THE WHITE HOUSE
WASHINGTON

INFORMATION
October 22, 1969

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *H*

SUBJECT: Background on Shah's Oil Proposals

Clark Mollenhoff in the attached explains some of the background of the Shah's proposals for the US-import of Iranian oil. He understands that he has been oversold on this project by a group of American entrepreneurs now represented by Herbert Brownell. He points out the domestic political risk of a decision on oil import policy that seemed to favor one of Mr. Brownell's clients.

The background Clark describes is consistent with my information.

I would only add that the Shah has now made these proposals very much his own. He is not just the dupe of American entrepreneurs, although they may not have been straightforward with him in describing the US difficulty in changing oil import policy. I have tried to keep Herb Brownell informed on our side of the problem, but he has apparently not succeeded in dampening the Shah's enthusiasm if he has tried.

*get this done
by the compromise
if possible -
not by a
change of quota*

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By EV/NARA Date 5-14-02

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BOX 920
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THE WHITE HOUSE
WASHINGTON

October 17, 1969

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN EHRLICHMAN
FROM: CLARK MOLLENHOFF 
SUBJECT: Potential problem area in connection
with the visit of the Shah of Iran.

It is possible that the Shah of Iran may be oversold before his arrival on the possibility of some changes in U. S. policy to permit Iran to exchange crude oil for American goods and products.

I am informed that a Mr. Charles Allen of a firm known as "Planet Oil and Mineral" has convinced the Shah that he can increase the income of Iran substantially by such a change in American policy.

While it would probably be good U. S. policy to help the Shah in some manner, this could constitute a preferential treatment that could have wide repercussions.

Herbert Brownell, former Attorney General under the Eisenhower Administration, represents Plant Oil and Minerals. He is apparently very enthusiastic about his client's cause, and believes that it would be a wise course for the United States as well as for Iran. However, I have had some discussions with persons who are equally interested in good relations between Iran and the United States who feel that any special allocation arrangement would have some long-term bad impact, even if it seemed a good thing to do to please the Shah while he is here.

It has been explained to me by some familiar with this matter that the Shah is likely to be disappointed on a number of matters involving oil policy while he is here and that it is important to cool his enthusiasm at the earliest possible point in the one area so there will be less likelihood of repercussions.

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I am not familiar enough with this subject matter to have any firm judgments one way or the other. It did appear to me that the warning was a clear and reasonable one that should be passed on for consideration at the proper level.

I am informed that Nat Samuels, a Deputy Under Secretary of State for Economic Affairs, is fully conversant with this whole matter, I would suggest that anyone at the White House level who deals with this subject contact Mr. Samuels for exploration of the details.

There have been some scandals involving oil allocation decisions in the recent past. The press has not fully exploited those scandals, but I'm sure would put the worst possible interpretation on any decisions by this Administration that might be of substantial benefit to one of Mr. Brownell's clients.