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By MMK NLDDE Date 2/14/17

THE WHITE HOUSE  
WASHINGTON

STAFF NOTES NO. 428

September 24, 1958

1. Unrest in Iran. -- Embassy Tehran reports that the Iraqi coup has had an unsettling effect in Iran, which has many of the same problems, including wide discontent in the security forces. A revolt or coup could occur in Tehran, while subversion threatens in other areas, especially Kurdistan. As in Iraq there is much distrust of the West, anger over the economic development program, and hatred for the ruling class. The Shah's regime may rock along for years unless Iraq should lose its independence to the extent of becoming a base against it, in which case the Embassy would give it only an even chance of lasting a year. Any basic remedy would require major changes in the character of the Shah and the government. (S)



2. Iraq and IPC. -- The Iraqi Government is apparently launching a drive for management participation in the Iraq Petroleum Company (IPC) and demanding the right to appoint the Managing Director. (S)

3. Algerian Rebels Threaten French Transportation. -- We have informed the French Embassy here that we have felt obliged to convey to US citizens confidential information that the Algerian rebels intend to attempt sabotage of French air and maritime services. Noting that we understand the French problems during the critical pre-referendum period, we added that if the French make public assurances that all precautions are being taken in view of the threats, we could then refer publicly to their statement. Meanwhile we have instructed our missions abroad to avoid scheduling travel via Air France at this time where possible. (S)

4. Nationalists Hope for Return to China. -- Embassy Taipei notes that the present crisis has focused attention anew on return to the mainland, which remains a cardinal tenet with the 1.5 million Nationalist Chinese, although opinion differs on methods and prospects. The restraints on Taipei imposed by understandings with the US are generally accepted, although

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the subject is sensitive. The government has carefully maintained a public position that its hands will not be tied when the time comes to recover the mainland. (S)

5. Aid to Europe. -- Mr. Smith has directed that ICA contributions to the European Productivity Agency and to various European Technical Exchange programs be discontinued at the end of this fiscal year. (U)

6. Relocation. -- Governor Hoegh reports that in accordance with the recent Cabinet action, the continuous activation of the emergency relocation site has been accomplished. Employees representing some 18 agencies are now in place and capable of emergency operations. (Admin. Conf.)

7. POLARIS AX-1 -- Twenty-seven seconds after launch at 1318 EDT today at Cape Canaveral, the Range Safety Officer destroyed a POLARIS missile for failure to follow its programmed flight path. Maximum altitude was 28,000 feet. The second stage and re-entry body landed 1/4 mile northwest of the launch pad, and the first stage landed in the river, 4 miles south and 1 mile west of launch. No injuries have been reported. The command destruction was announced to the press. (C)

8. VANGUARD. -- An SLV-3 launching is scheduled for September 26, between 0930 and 1500 from the Atlantic Range. The satellite payload will be a 20" sphere containing cloud cover scanning equipment operating in the infra-red spectrum. Previous launching failures are attributed to launch stand electrical difficulties (which caused the shut-down circuits in the first stage engine to operate unintentionally) and these have been corrected. (U)



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