Department of State

11 P.M.

July 26

London's 543 naturally causes deep concern insofar as it affects possibility of taking advantage of favorable Iran proposal which you have worked so hard to achieve.

From discussions with NEIT EMB here we gather principal NEIT concern is with actual physical interference by Bakke and other Iran NEPS with such oil operations as are still in progress. Even with best of NEIT intentions, this interference may result in further curtailment and loss of morale of NEIT personnel. This would lead to breakdown even before NEIT NEPS GEL reach Iran or before tangible results GEL be achieved.

NEIT has had in mind as last resort appeal from PASS to Attlee in support of UR objectives. However, before taking this step, we shall await URs present evaluation of situation, and UR recommendations as to desirability and basis of appeal. We shall also await UR views whether done to obtain performance or part of IRANS to stop physical additional interference without demanding formal concessions which WLD
probably not be possible under existing circumstances. WLD it be possible, for example, to obtain recall of Makkî as suggested by Shepherd. strongly

DEPT stressed/to Entezam importance of stopping interference as we reported yesterday. He indicated he WLD support this position with his GOVT.

We are relying fully on you to call the plays and shall await UR recommendations as to next step to be taken.

(9/8)

ACHESON