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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

~~OFFICE OF NATIONAL ESTIMATES~~

1 March 1953

MEMORANDUM FOR THE PRESIDENT OF THE UNITED STATES

SUBJECT: The Iranian Situation

Ever since the assassination of General Rasmara in March, 1951, and the subsequent impasse and diplomatic break with Britain over the oil negotiations, the Iranian situation has been slowly disintegrating. The result has been a steady decrease in the power and influence of the Western democracies and the building up of a situation where a Communist takeover is becoming more and more of a possibility. However, even the present crisis is likely to be unsatisfactorily compromised without a Communist Tudeh victory. Of course, the elimination of Mossadeq by assassination or otherwise might precipitate decisive events except in the unlikely alternative that the Shah should regain courage and decisiveness. The events of the past 48 hours have brought a few surprises. The fanatical Moslem leader, Kashani, who is also President of the Majlis, has shown more power than expected both in influencing the Majlis and in quickly marshaling for mob action his fanatical followers. The institution of the Crown may have more popular backing than was expected.

Today the situation in Tehran remains tense and unresolved. Some street demonstrations have occurred today, but the curfew is still in effect and general order is apparently being preserved.

The principal opposing forces are represented on the one hand by Prime Minister Mossadeq and, on the other, by Mullah Kashani, with the Shah apparently being used by Kashani.

The Communist Tudeh Party may be expected to capitalize on, and increase, the tension in every possible way. The Tudeh party, which has always been anti-Shah, will probably back Mossadeq for the time being.

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By MMK NLDDE Date 3/7/11

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Significant elements of the Army will probably remain loyal to the Shah, but whether or not they can be forged into an effective weapon in shaping political developments depends on the Shah's determination to use them. So far this determination has not appeared. On the other hand, Mossadeq appears to retain control of the chain of command.

As between Mossadeq and Kashani, it appears that Mossadeq has still the greater strength although he has obviously lost some prestige in Parliament and among the people. Kashani's following, however, is better consolidated in the capital through a well organized "street machine," which Mossadeq does not possess.

The Prime Minister appeared before Parliament Saturday night at 8:30. After an initial friendly reception he was subjected to bitter criticism. Mossadeq reportedly asked Parliament for a vote of confidence, asserting that if the position of his government had not been clarified within 48 hours, he would appeal to the people. For the first time he failed to sway the Majlis by his oratory. After an initial indication that he intended to seek official "refuge" in Parliament, he returned to his heavily guarded home at 2:30 Sunday morning.

Despite the weakening of Mossadeq's position, he still appears to be able to recoup. His National Movement faction, some 28 deputies, has come up strongly in his favor; demonstrations have been staged in his support, and he has replaced Chief of Staff Baharmast (on the grounds that Baharmast failed to maintain public security) with General Riyahi.

If Mossadeq maintains control he will increase his efforts to remove or neutralize all opposition. His latent hostility toward the Shah is likely to increase. He might resent Henderson's activities during the crisis.

Mullah Kashani has been a key figure in promoting the pro-Shah street demonstrations. He has also led Parliament's attack on Mossadeq. If Mossadeq were to disappear, Kashani would be a serious contender for his position. Although personally not acceptable to the Shah, the latter would be inclined to appoint him prime minister if recommended by Parliament.

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Kashani, with a record of venality, would bring a large degree of opportunism to the government. He has consistently followed a policy of extreme nationalism antagonistic to the US. If he succeeded Mossadeq, he would have a much narrower basis of support than Mossadeq enjoyed before the current crisis and would, therefore, be likely to resort to ruthlessness to destroy opposition. In his struggle to do so Tudeh influence and opportunities for gaining control would increase rapidly.

Retired General Zahedi, currently imprisoned by Mossadeq, also wishes to become Prime Minister, and his adherents are active in the Majlis. It is unlikely that he will succeed.

The present situation offers the Shah an opportunity which he has not as yet seized. His past record does not suggest that he will act.

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