12 October 1951

FROM: E0 12060 3.4 (OX)

SUBJECT: ANALYSIS OF IRANIAN POLITICAL SITUATION

(THIS SPECIFICALLY REQUESTED THAT NO DISTRIBUTION OF THIS REPORT BE MADE OUTSIDE OF THIS AGENCY.

1. BACKGROUND.

A. KEMOVARA. IRAN NOW IS ANTI-WESTERN BUT IS VIOLATED ONLY IN ITS MANIFESTATION AGAINST THE BRITISH BECAUSE THEIR PRESENCE IN IRAN UP TO FIVE YEARS HAS BEEN MORE SUBSTANTIAL THAN THE PRESENCE OF ANY OTHER WESTERNERS (FOR EXAMPLE, THE ANGLO-IRANIAN OIL COMPANY, BRITISH BANK AND BUSINESS FIRMS BACKED BY A LONG HISTORY OF BRITISH INTERESTS IN IRAN). MOSADDEQ CAME TO POWER ON A WAVE OF KEMOVARA, THE FROWERS OF WHICH WAS THE ANTI-BAZMORA

AND ANTI-COURT MOVEMENT (RAZMARA AND THE SHAH DESCRIBED AS SERVANTS OF THE BRITISH), IF THE UNITED STATES SHOULD CONTINUE TO COLLAPSE SPECTACULARLY WITH THE BRITISH (FOR EXAMPLE, BAZMORA'S RURAL AREA TO PASS TO THE BAHRAHAN'S "ULTIMATUM," AND THE POSITION OF THE $25,000,000 REPORT-IMPORT BANK LOAN), THE REIGN OF ANTI-WESTERN FEELING COULD EASILY COVER THE UNITED STATES AS WELL AS GREAT BRITAIN.


2. MOSADDEQ'S GOVERNMENT HAS POWERFUL POPULAR SUPPORT.


SECRET
B. MODERN RELIGIOUS GROUPS, WHO AT ONE TIME WERE DIVIDED FROM KASSIMI AND FROM HIS PRO-MUSLIM lineage, HAVE NOW RALLIED TO THE NATIONAL FRONT BANNER. IN A LETTER DATED SEPTEMBER 1953 KAYB SAFAVI, LEADER OF THE YUNAHI-I-KULJ, MADE CLEAR WITH KASSIMI; A LETTER FROM HUMAYUN ISH KURR PASHER OF DOO (THE OUTSTANDING SPIRITUAL LEADER OF IRAN) TO THE SHAH URGED HIM TO SUPPORT MUSLAM.

C. KASSIMI'S EMINENT INFLUENCE, IN SUPPORT OF THE GOVERNMENT, HAS DEMONSTRATED ON 3 SEPTEMBER 1951 BY THE GENERAL CLOSING OF THE BAZAARS THROUGHOUT THE NATION AT HIS REQUEST AND BY THE CLOSURENESS OF THE PARLIAMENT, HE SPONSORED IN FAVOR OF THE GOVERNMENT ON THE SAME DAY.

D. THE SHAH HAS TAKEN A STAND IN FAVOR OF MUSLAM, AND AT LEAST SINCE 17 SEPTEMBER 1952 HAS REFUSED TO LISTEN TO BRITISH ENTREATIES TO RALLY OPPOSITION OR IN FAVOR OF SHEIKH ZA TABATABAI. AT KASSIMI'S REQUEST, THE SHAH HAS ORDERED THE PRINCESS ABRAHAM OUT OF THE COUNTRY (WHO LEFT IN LATE SEPTEMBER 1951), THEREBY SHOWING THAT HE WOULD NO LONGER, (WHAT IS, FOR THE TIME BRING) CONDONE COURT INTRIGUE IN POLITICAL MATTERS.


3. THE BRITISH POSITION IN IRAN HAS COLLAPSED

A. 50 LPS 50.4 (P.1)

B. THE INFLUENCE OF THE BRITISH EMBASSY UPON THE SHAH AND HIS COUNCILS HAS PRACTICALLY CEASED TO EXIST, MAINLY BECAUSE THE SHAH IS INCREASINGLY AWARE OF THE STRENGTH OF THE "COUNTER" AND FEARS THE "STREET" AT PRESENT MORE THAN HE FEARS THE BRITISH. NO OTHER PRIME MINISTER PRIOR TO MUSLAM COULD CLAIM SUCH SPONSORSHIP. THE SHAH DARES NOT TAKE BACK OR STEP OUT OF LINE. HE IS FULLY AWARE NOW THAT THE POLITICAL WAY IN WHICH MUSLAM MUSLAM INTO POWER WAS IN GREAT PART AN AMI-COURT WAY.
C. The campaign of intimidation supported by certain elements of the national front and condoned by Mullah Khomeini (but not condoned by Musavi) had contributed toward current elimination of British-sponsored opposition. (See also paragraph 2 above).

1. The Soviet Union is in a relatively strong position to reap advantages.

A. The Tudeh party has great potentialities. Although inside information is inadequate, the following clues are important:

(1) As early as 1946 the Tudeh had organized workers in Aqrah to a point where they successfully staged a general strike.

(2) Since the Bazmara cabinet, the Tudeh has enjoyed greater freedom of action with correspondingly increased efficiency.

(3) In 1950 the Tudeh organized peace front groups.

(4) In December 1950 the Tudeh was in a position to stage the escape of ten of its leaders from the Tehran jail.

(5) In April 1951 the Tudeh quickly took advantage of the dispute of British labor relations in Aqrah to stage another successful general strike.

(6) In July 1951 the Tudeh was able to mass ten thousand demonstrators in the streets of Tehran and organize them in semi-military order.

(7) In the past year the Tudeh has been similarly successful in conducting large-scale propaganda.

(8) An estimate of Tudeh and front groups for the Tehran area in September 1951 was a maximum of twenty-five thousand, which appears to be a considerable increase over a year ago.

(9) The economic situation stands to deteriorate further, which paves the way for further increase in the power of the Tudeh party.

B. The policy of the national front at this time plays directly into Soviet hands.

(1) It has caused misunderstandings between London and Washington. The breach could be made to widen further.

(2) It calls for the physical expulsion of the British from Iran.

(3) It has undermined the prestige of the Anglo-Saxon powers in the Near East.
SECRET

(1) IT LAY THE GROUNDWORK FOR A COMMON FRONT OF NATIONALISTS IN THE NEAR EAST AGAINST ARGO-SAXON "IMPERIALISTS." (THIS POLICY, FAVORABLE TO THE SOVIET UNION, CAN BE GETTING OUT MUCH MORE SPOILS BY THE MOZAWRA GOVERNMENT, A ROUGHLY GOVERNMENT, THAN BY A TURKISH GOVERNMENT.)

(5) THE SOVIET "SIDEBIND" WITH IRAN AT THE SECURITY COUNCIL IN EARLY OCTOBER 1951 HAS INCREASED SYMPATHY FOR THE SOVIETS EVEN IN THE HANDS OF THE NATIONAL FRONT.

NOTE, HOWEVER, THAT SOVIET INFLUENCE IN IRAN HAS TO CONTEND WITH:


(2) POPULAR RESISTANCE TO COMMUNISM WHICH STEMS FROM RELIGIOUS SENTIMENTS AND A REVIVAL OF NATIONALISM.

SECRET

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