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SPECIAL ESTIMATE

THE CURRENT CRISIS IN IRAN



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Published 16 March 1951

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The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 15 March.

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THE CURRENT CRISIS IN IRAN

CONCLUSIONS

1. The political situation in Iran has long been unstable. This instability has been increased by the assassination of Razmara, which has led to a new outburst of extreme nationalism, expressed in a vigorous demand for nationalization of oil resources of the Anglo-Iranian Oil Company.
2. We do not believe, however, that the situation is such that there is imminent danger of the government's losing control, barring armed intervention by the USSR. This estimate is based on the following considerations:
 - a. Available information indicates that the Iranian armed forces, including the gendarmerie and police, are adequate to maintain order. There is no evidence to suggest that they are not under effective control of the government.
 - b. The extreme nationalists have only a very small representation in the Majlis. Their popular following, though large and widespread, is nevertheless unorganized.
 - c. The illegal pro-Soviet Tudeh Party is not believed to be capable of taking advantage of the current tension to gain control of the government or even seriously to disrupt the government's control.

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d. Although the main issue in the present crisis is nationalization of Iran's oil resources and although this issue has evoked overwhelming popular support, responsible government officials, led by the Shah, are aware of the difficulties involved in nationalization. Given the cooperation of the British, they may be expected to make a real effort to find a face-saving settlement with the Anglo-Iranian Oil Company.

3. Nevertheless, the possibility cannot be excluded that the situation may be aggravated and the crisis prolonged by an unyielding attitude on the part of the British, or by some unpredictable development such as assassination of the Shah. In such circumstances the opportunity might be created for an attempt by the Tudeh Party to seize power, or even for armed intervention by the USSR.

DISCUSSION

The Background of the Crisis

4. The assassination of Premier Razmara by a religious fanatic on 7 March and the ensuing period of uncertainty are direct results of the agitation for nationalization of the Anglo-Iranian Oil Company, which has been building up ever since the rejection by the Majlis in December 1950 of a revised concession agreement offered by the company. This agitation has been led by a very small group of ultra-nationalists in the Majlis known as the National Front. One of its leaders, the violently anti-British religious figure, Mulla Kashani, was reportedly implicated in the assassination, also by religious fanatics, of another high official in 1949.

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5. Tension over the oil issue increased sharply in the period just preceding the assassination. The National Front stepped up its demands for nationalization, using that issue as a club to attack Razmara, whose attempts to provide strong government had run counter to its own attempts to gain a controlling influence. The National Front reportedly approached the British with an offer to drop the nationalization issue entirely if the British would help get rid of Razmara in favor of a more acceptable Premier. The British, irritated with Razmara's failure to line up support for their position, delivered strong official warnings against any attempts at nationalization, meanwhile, however, indicating to Razmara that they were willing to grant a more generous concession agreement along the lines of that recently concluded by Saudi Arabia and the Arabian-American Oil Company. Razmara was persuaded to go before the Majlis Oil Commission with a statement prepared for him by the British emphasizing the practical difficulties of nationalization. In his presentation on 3 March, Razmara (to the irritation of the British) was careful to label the statement as one prepared by technical experts rather than his own. The statement, however, still brought down the wrath of the ultra-nationalists upon him and may well have furnished the immediate incentive (or pretext) for his murder.

The Development of the Crisis

6. The assassination produced no immediate repercussions. Tehran was quiet, with the public evidently unconcerned. The pro-Soviet Tudeh Party was evidently taken by surprise. The Shah, after briefly considering the invocation of martial law,

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decided against such a move and contented himself with the designation of an innocuous elder statesman as acting Premier.

7. This situation, however, soon changed. On the evening of 8 March the Majlis Oil Commission, under pressure from the exultant ultra-nationalists, unanimously passes a resolution endorsing nationalization but asking a two-month extension for study of the practical problems involved. On the following morning the pro-Soviet element went into action with an anti-US and anti-UK demonstration outside the US Embassy, while in the afternoon Mulla Kashani held a mass meeting which, though orderly, was marked by inflammatory speeches denouncing the British and Razmara. The organization responsible for the murder, the Friends of Islam, threatened violence against other opponents of nationalization and indicated that reprisals would be forthcoming if the assassin were not released. Although the provinces apparently continued to be quiet, and the government's control of the security forces was apparently unshaken, uneasiness in Tehran, particularly in political circles, mounted sharply. No one appeared capable of forming a strong government satisfactory to the Shah, and most of those who would normally have participated in such a government were deterred by fear of personal reprisal and by the sheer difficulty of coping with the question of nationalization. Proclamation of martial law would require approval of a demoralized Majlis, while dissolution of the Majlis involved a risk of increasing the tension. Under the circumstances, the Shah apparently decided to avoid a head-on clash with the ultra-nationalists, making do with a weak interim government until tension abated.

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8. The situation has clarified somewhat during the last few days. Upon rejection by the Majlis on 11 March of the Shah's first choice for interim Premier, the Shah persuaded his widely respected Minister of Court, former Ambassador to the US Ala, to assume the premiership. Ala, who has been approved by both the Senate and the Majlis, is described as apparently "cheerful and optimistic" about what he regards as the task of effecting a reconciliation among the various factions, including Kashani's. Meanwhile, the impending adjournment of Parliament for the Noruz holidays offers a breathing spell, and it has been reported that the police have been quietly rounding up members of the reportedly small Friends of Islam group and of the Tudeh Party. At the same time, however, the unanimous Majlis vote in favor of the resolution on oil nationalization indicates that the National Front is determined to exploit its present psychological advantage. The Oil Commission has been granted a two-month extension to study the practical aspects of the problem. In addition, the warning note on nationalization which the UK has sent Iran may actually provoke rather than discourage further ultra-nationalist outbursts.

9. A major indication of the trend will be provided by Ala's presentation of his proposed Cabinet to the Majlis on 18 March.

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