

PRIME MINISTER MOSSADEQ'S THREAT TO RESIGN

On 20 February Prime Minister Mossadeq sent a brusque message to the Shah stating that he could no longer tolerate his unfriendly attitude and would therefore resign on 24 February. Mossadeq said he would announce publicly that he was forced to offer his resignation because of the intrigues of the Shah and the royal court. He charged that the Shah was responsible for the current tribal unrest as well as encouraging retired army officers to plot against the government.

On this same day, 20 February, Ambassador Henderson presented to Mossadeq the latest draft of the British offer to settle the oil dispute and the American offer to purchase oil when an agreement was reached. Mossadeq appeared friendly, but said he was sure that the proposals in their present form would be unacceptable to Iran. He promised to answer soon.

On 22 February Iranian Foreign Minister Fatemi announced that a decision might be delayed several days. Subsequently, press reports from Tehran predicted a rejection of the British offer and the threat of Mossadeq's resignation.

Mossadeq has recently taken several steps to reduce drastically the Shah's influence, probably to keep him from injecting himself into the situation. Mossadeq has cut off the government subsidy for the Shah's important "Imperial Organization for Social Welfare"

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and is also attempting to take from him the guardianship of the funds from the wealthy Meshed Shrine. Mossadeq has also criticized the manner in which the Shah is distributing Crown lands. Minister of Court Ala believes that Mossadeq is trying to reduce the Shah to a state of "servile dependence."

The Shah has repeatedly placated Mossadeq by making concessions. He apparently has no definite plans for action should the Prime Minister resign, and has given no indication that he has the necessary determination either to take over control or to give resolute support to any new Prime Minister named by him.

Mullah Kashani, president of the Majlis, seemed pleased when Minister of Court Ala informed him of Mossadeq's threat to resign.

Kashani appears ready to line-up with the Court but such a maneuver would deprive him of extremist support, notably Tudeh. Despite Kashani's assertion that the Majlis would support the Shah if Mossadeq were to attack him, the Prime Minister reportedly feels confident that he can handle the mullah.

A grave situation would be likely to develop if Mossadeq resigns or disappears from the scene. Kashani, the most influential figure after Mossadeq, is a venal, unreliable opportunist and a religious fanatic. The individuals currently mentioned by the Shah as possible successors to Mossadeq do not have either stature or popular support.

The armed forces, though suffering from loss of morale and possibly from some Tudeh infiltration, remain loyal to the present government. They may be expected likewise to support a legally

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instituted new government. Their loyalty might be divided, however, in a full test of strength between the Shah and any government hostile to him.

Late reports from Tehran indicate a temporary lessening of differences between the Shah and Mossadeq based on a partial capitulation by the Shah. The available evidence suggests that the present maneuvers of the Prime Minister are aimed largely at demonstrating that he is in complete control of the government before announcing the latest developments in the oil dispute.

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REPORTS INDICATING THE INTER-RELATIONSHIPS IN THE CITY DISTRICTS  
CONCERNING THE FACTS OF THE COMPLETE CONTROL OF THE COMMUNIST  
THE REPORTS INDICATE OF THE BLUE NUMBER TWO SINCE THE FACTS OF  
CONTRIBUTION BY THE STATE THE NATIONALIST GOVERNMENT THAT  
OF THE INTERESTS BETWEEN THE STATE AND NATIONALIST PARTY TO A EXTENT

THESE REPORTS ALSO INDICATE A COMBINED PROGRESS  
CONCERNING THE FACTS OF THE  
NATIONALIST IN A STATE OF EXTENSIVE CONTROL THE STATE AND THE  
INDICATED THE COMMUNIST PARTY WHICH WOULD BE CHANGED