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DCI Briefing NSC on 4 March 1953.

DOI briefed about 6 minutes on this subject.

4 march 1953

THE PRESENT SITUATION

Following developments in Iran:

Shah's decision to leave under M.

pressure brought strong popular reaction,

pro-Shah - vs Mos.

Kashani organized rel. fanatics against
M. He incidentally pro-Shah.

In prel. street fight pro-Shah and Kashani groups stronger.

Tudeh took Mos. side.

Mos. driven from home and took refuge in Madj - failed to rally them but did succeed in dismissing Chief Staff and inserting his stooge and regaining army.

Shah remained quiescent - took to bed and Mos. with fresh mob support slowly regained control. Now probably master of situation.

Quote: (Opera bouffe if Russia not around the corner).

PROBABLE IMMEDIATE CONSEQUENCES

Weakening; possible early end of Monarchy and eventually of Kashani.

Practical dictatorship of Mossadeq.

While he lasts little danger Tudeh take over His elimination, if effected before Iran's
position stabilized by oil settlement and
army reform might spell chaos and Tudeh.

Henderson believes his position shaken.

4mar 53

SOVIET LINE



"Present events have revealed the treacherous plans of the Shah. It is now known that he wants to sacrifice the fruits of the national campaign to his lust for dictatorship. The Iranian masses are now aware of the plots of the vile Royal Court.

"The present uprising of the people is directed not only against the vile, filthy

Shah but against monarchy. The lastest attempt had the same vile purpose as was apparent in the Qavam incident. But the people of Iran, who overcame that conspiracy, are not deceived by this vile plot. The Qavam bogus government collapsed like a pack of cards.

"Except for the Mossadeq government and Mossadeq's entourage, the Shah would have been annihilated and the vile Monarchy would have been eliminated. The Mossadeq entourage has brought shame on itself by fawning upon and flattering the Shah.

"Once more the crimes of the traitorous Shah have been uncovered. At the same time, it has been proved that the campaign of the Iranian masses will not be in vain. More important than this, it was proved to Mossadeq that the vile Shah wanted to take his life.

"The Monarchy is part of the imperialists' plan. The son of Reze Khan was planted on the Iranian throne by the imperialists. It was no coincidence that when the hoodlums were attacking Mossadeq's house, the American Ambassador in Teheran paid a visit to the Shah and talked with him for about an hour. Neither is it accidental that when trouble broke out in Teheran the London radio openly supported the criminal Shah.

"The American and the British imperialists were responsible for the plan which failed in Iran. Mossadeq should realize once and for all that he will never be able to crush the will of the people. If he is wise he must join the masses of the people and act as they wish." H Mar 52

Destroy Monarchy and underline Mossadeq
A maturing revolutionary set-up.

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CONSEQUENCES OF SOVIET TAKE OVER

Majority factor in cold war and loss US prestige

Permanent denial Iranian oil to West and threat to other Middle East oil

New strategic position for Soviet in case of war with access Persian Gulf.

Other Arab States threathened but not immediately likely to go Communist but Iraq the weakest with the largest Communist Party.

Threat to eventual loss of Middle East up to Suez - Middle East except for Turkey.

4 mas 3

CONSEQUENCES OF LOSS OF MIDDLE EAST OIL

Reserves 65 Billion bbls - 60% of Free World's reserve.

18% of total World production (2,100,000 bbl. per day)

Middle East now supplies 90% of Europe's requirements

Increase Europe's dollar gap by \$1 billion

Seriously deplete our reserves for war

Require rationing in US

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THE PRESENT SITUATION (Card # 1)

Army

Loyalty appears divided.

Outside Tehran, however, army appears
to take orders from Mossadeq's Chief of Staff.

Tribes (25% of 17,000,000 population)

Some new restiveness among Kurds reported.

Otherwise no reaction.

More Trouble possible

Late reports from Tehran anticipate more riots aimed in part at Americans.

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