20 Jan 54 SUBJECT: Domestic and Foreign Policies, Attitudes, and Approvied For Release 1999/09/10: CIA-RDP83-00423R001301050001 25X1A6a PLACE ACQUIRED: ---This unevaluated information for US Officials DATE ACQUIRED: Only is supplied for the possible interest of your analysis it does not warrant dissemi-26 Nov 53 and earlier DATE OF INFO: nation b 25X1A2g report. SOURCE: 25X1X6 1. country was composed of 40% fanatic Moslems, 40% non-fanatic Moslems, and 20% non-Moslems. The latter do not count politically. The fanatics, led by Kashani, are now supporting 25X1X6 Zahedi; the other Moslems are about equally divided, but those who do not support Zahedi are quiescent. The army and police forces are about 90% behind Zahedi. The Shah owed him a great deal, and only the Tudeh opposition will not matter Tudeh is opposing him. a lot since the army has them completely under control for now. 25X1X6 3. The Tudeh is Zahedi's only strong opposition. A few personal friends 25X1X6 of Mossadegh also are in opposition but they are unable to act. all Iranians are violently opposed to British hegemony, and a few fear Zahedi will give in to the British too much. Other than this, he knew of no friction among Zahedi's supporters. 25X1X6 Relations between the Shah and the government are excellent; Zahedi and the Shah, are on excellent personal 25X1X6 relations. 4. 25X1X6 the root of all economic reform was in the 5. t not more than 300 settlement of the oil question. technicians from abroad should be admitted, but that for sale and 25X1X6 distribution of the oil, foreign aid was absolutely essential. The revenues from oil he said would undoubtedly be used by the Zahedi

25X1X6 Government to effect agricultural reforms which would give more food the country was completely reto the lower classes. solved that no foreign nation should ever again assume the position the UK had attained before oil nationalization, since this position exploited the people. 25X1X6

the tribes had little wish and no capability for 6. throwing off the yoke of the central government. He was very certain of the latter phrase, saying that they lacked armaments, leadership, and desire to do so. He stated they respected Zahedi and Kashani and were never firm partisans of Mossadegh. He knew nothing of any contracts they might have with foreigners.

7. Farmanara stated that Kashani and Zahedi had been cell mates in prison for three months. Observing that such intimacy makes either strong they are devoted friends. enemies or life-long friends, if Kashani were to die, his mantle would probably fall as a capable man and on one Behbahrani /phonetic/, a patriot, but not so well loved by the priesthood as is Kashani. He said the clergy also realized that reform was necessary if the people were not eventually to be won over either to Soviet or Western ideologies, both of which they think equally repugnant.

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8. With regard to Soviet attempts to retain influence in the Iranian the Soviets were buying fish from fisheries, Iran and then marketing them as Soviet, which he thought was an unfair trade practice. However, the Iranian Government will not protest as long as the Soviets pay.

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the US\$45 million emergency aid to Iran by the US was too small an amount for anything but a stop-gap. 25X1X6 it was President Eisenhower's last message to Mossadegh which convinced the army and "all thinking people" in Iran that 25X1X6 Mossadegh's policy was bankrupt and that he would have to be removed in order to get a settlement of the oil question. until the message was received, many still had hopes that the US would either deal with Iran direct or force the UK to do so. referring to alleged British exploitation of Iranians, dishonesty in 25X1X6 bookkeeping, and disregard of Iran's sovereignty, Iranians were determined this should not reoccur. 25X1X6

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at the Tudeh Party was now in eclipse and was being 25X1X6 carefully watched by both the military and the priesthood. would not be dangerous for many years to come due to the arrests and executions of its leaders by the government. He doubted that it has 25X1X6

any longer any strength in the government or the army, and that such penetration as it had achieved has been discovered and eliminated.

government discovery of Tudeh arms caches and doubted that there were any considerable means yet available to the Tudeh internally.

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