

SITUATION IN IRAN

- Iran*
- I. Political situation generally stable; nevertheless,
 - II. Shah may appoint new prime minister in spring.
 - A. Shah keeping tight grip on government even during US trip. Distrusts Zahedi, often saying would like to remove him.
 - B. Zahedi has not won popular support. due failure to push reforms; widespread corruption in his government.
 - III. Shah's next premier possibly Manucher ~~or~~ Eqbal
 - A. Senator Eqbal just "elected" chancellor of Tehran University--result of Shah's direct intervention.
 - B. Eqbal can thus catch public eye by anti-Communist campaign at Tudeh-infested university.
 - IV. Under Eqbal or any Shah-dominated prime minister, Iran would continue pro-West.