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SHORT-TERM OUTLOOK FOR IRAN

Approved by the
DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Center, Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, Defense, and The Joint Staff.

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

on 23 May 1961. Concurring were: The Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations (Intelligence), Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIA, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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SHORT-TERM OUTLOOK FOR IRAN

THE PROBLEM

To estimate the short-term outlook for stability in Iran in the light of recent political changes.

THE ESTIMATE

1. The estimates of the fundamental forces and trends in Iran contained in NIE 34-61, "The Outlook for Iran," dated 28 February 1961, remain valid. However, rising unrest in the country, as most recently manifested in demonstrations in Tehran, the largest since Mossadeq's day, and by the consequent governmental changes, indicates that pressures against the Shah's regime may be reaching a critical point.

2. In this situation, the Amini government, which came to power on 6 May, introduces a new element. Prime Minister Ali Amini is a well-known critic of the Shah and recent governments, and a proponent of evolutionary reform for Iran. He owes his present position to the fact that the Shah was convinced that in the crisis Amini was the only man acceptable to the military, the nationalists, and the conservatives, and therefore able to prevent the situation from deteriorating further. Amini's announced program includes a strong campaign against corruption, and for political, administrative, fiscal, and judicial reforms, and implementation of the land distribution law.

3. Amini's most urgent problem will be to maintain this acceptability while achieving sufficient authority as Prime Minister to cope with the financial and administrative mess he

has inherited and the touchy political and legal problems created by dissolution of the Majlis (Parliament) and pressures for early elections. He will also be confronted with greater public expressions of discontent made possible by certain concessions toward freedom of the press and assembly which he has made. Amini is an effective administrator and has a wide range of personal contacts among political and military leaders, though no organized political following. His character suggests that he will make a more serious effort than his predecessors to avoid subservience to the Shah and to carry out his program.

4. The Shah was apparently frightened by the recent crisis into delegating considerable authority to Amini, although he has sought to retain close control of the armed forces. The Shah probably regards this delegation as only temporary, since he strongly believes in the necessity of concentrating power in his own hands. He is extremely skillful at manipulating factions and leaders, and no Prime Minister since Mossadeq has been able to stand up to him. Should Amini be able to stabilize the situation sufficiently to enable the Shah to recover from his present fright, the latter will move to resume the dominant position. If, he concluded that he could no longer exercise such domination, he might abdicate and leave the country rather than become a mere figurehead.

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5. Fearing a military coup which might oust either the Shah or Amiri or both, it is highly probable that sooner or later their present uneasy collaboration will develop into a struggle for power between them. It is impossible at present to estimate the duration or outcome of such a struggle.

6. The Iranian military will be a crucial factor in future developments. However, it contains a number of conflicting factions and ideologies. Many of the junior and middle level officers, and probably a few of the top ranks, are sympathetic to the kind of reforms included in Amiri's program. On the other hand, the upper echelons of the officer corps have a vested interest in the *status quo*, which is necessarily threatened by such reforms. Although they acquiesced in Amiri's appointment, they are already apprehensive regarding the trend of events.

7. The nationalists, who have become increasingly active politically during the last year, will also be a key factor, although they too represent a variety of points of view. The more radical of them will almost certainly oppose Amiri from the beginning. Some of the moderates may work with him as long as they retain hope that he will move toward their objectives. One of Amiri's major problems will be to acquire enough support among urban nationalists to weaken their capability to apply pressure against the regime as they have done in the past eight months. A major source of friction in Amiri's relations with the nationalists will be the timing and conduct of the elections.

8. The Iranian Communist Party (the Tudeh) is not now a major political factor. It has been hard hit by SAVAK and almost all of its leaders are in jail or exile. For the next year or so, at least, it is not likely to try to come out in the open as it did in 1953, but probably will become more active in trying to penetrate nationalist groups. In the event of sustained political disturbances, it would probably be able to reconstitute itself and might emerge as a major force.

9. External factors could also have a significant effect on the Iranian scene. US support will be an important asset for Amiri, but only if it is given in such a way as to avoid his being widely labeled as "merely an American tool." Most military elements would probably seek to sound out US reaction to a takeover by them before acting.

10. Communist propaganda is already attacking the Amiri government, claiming that it is merely a US creation designed to shore up the corrupt regime of the Shah. The Soviet Union probably feels that, if the Amiri regime is quickly discredited and falls, the trend toward a revolutionary upset in Iran would be accelerated. However, should the Amiri government show strength and staying power, the USSR might experiment with a softer line, offering economic aid and possibly some political concessions, such as a revision of the Irano-Soviet treaties, in return for a loosening of ties with the West.

11. One thing is clear to date: the appointment of Amiri represents a significant step toward liberalization of the government. Should Amiri be able to develop an independent position and implement a major reform program, the chances of evolutionary development toward more stable and representative government in Iran would be enhanced. If, on the other hand, the Shah should attempt to force Amiri into a puppet's role, or should replace him with some politician subservient to the U. S., the unrest which brought Amiri to power would be likely to break out more violently than ever. Likewise, a sharp turn to the left by the Amiri government would provoke a strong reaction from still powerful conservative forces.

12. In general, we think that the chances of a coup by military elements during the next year or so are greater than they appeared to be when NIE 34-61 was written (February 1961). However, we cannot predict whether or when such a coup will occur. A coup could take a number of forms: a movement against Amiri by traditional conservative elements in the officer corps; a coup by more progressive senior officers against the Shah to support Amiri; or a military coup simply to end in-

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decisive squabbling among the Shah and civilian politicians. Such coups would not necessarily involve the elimination of the Shah, but might result in a major reduction in his personal powers, in which case he might abdicate. Any of these coup governments might stabilize the situation temporarily; however, they would probably lack popular support, would almost certainly be plagued by factionalism, and would be subject to increasing pressure from nationalists and the Tudeh.

13 There is the additional possibility of a radical nationalist government coming to power as the result of a coup based on the lower and middle officer ranks or of large scale civil disturbances in which important army elements in effect joined the demonstrators. It too would probably be ridden with factionalism and internal instability would be likely to continue. A swing toward radical social and economic measures at home and neutralism in foreign policy would be virtually certain.

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