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MEMORANDUM FOR: THE DIRECTOR

SUBJECT: The Iran Estimate

The agency representatives are still struggling with the new Iran estimate. Attached is my own rendition of the main conclusions, which I understand are substantially agreed to by all. We think that the estimate will be consistent with the intelligence portion of the Iran Task Force Report. To a considerable degree, however, it covers different ground.

[Redacted Signature]

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Abbot Smith

19 MAY 1961

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Noted by D/DCI

27 May 61

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19 May 61

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IRAN

1. Basic estimates of fundamental forces and trends operating in Iran remain valid. We have long said that the situation could not last indefinitely, but last February we judged that a coup or breakdown was unlikely "in the next year or so."

2. Now the pace of political change seems to be accelerating. The Amini government represents a step toward liberalization and reform. It might succeed in stabilizing the situation.

3. But there will almost inevitably be a tug-of-war between Amini and the Shah. The Shah, if driven too far, may abdicate. The military have lost some of their perquisites, and are being purged. The moderate Nationalists may cooperate with Amini for a time; the more radical ones will oppose him.

4. We do not expect the Tudeh Party to exert much influence in the immediate future.

5. We think that a military coup, or a nationalist demonstration, or an abdication of the Shah, are continuing possibilities. The chances of some of these things occurring in the near future are greater than they appeared when our estimate was written in February. But we think that the situation, as of today, is too fluid to justify a confident prediction of what will actually happen.