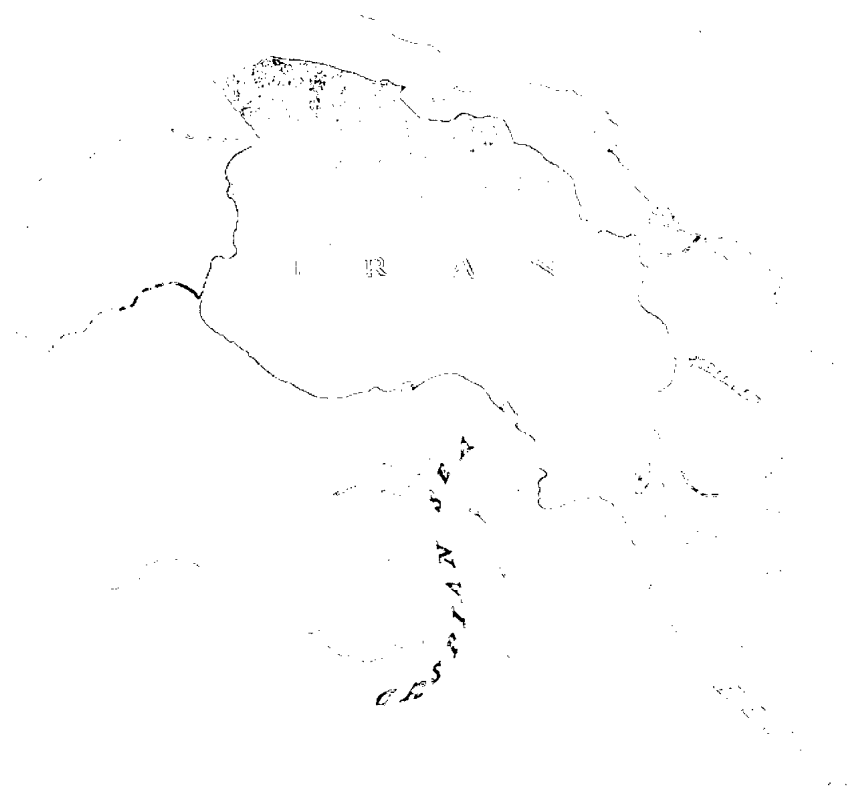


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In the preparation of this report, the Central Intelligence Group has made full use of material furnished by the intelligence agencies of the State, War and Navy Departments and of the Army Air Forces. These agencies have also concurred in this report unless otherwise noted.

It is suggested that the recipients retain this report, since it will be reviewed and, if necessary, revised in whole or in part each month hereafter.

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SUMMARY

The strategic importance of Iran lies in: (a) its geographical position in the Middle East bridge connecting Europe, Africa, and Asia; (b) its consequent position with regard to lines of communications of other powers; and (c) its oil resources (Iran is the world's fourth largest producer). It is the center of an arc formed by three independent states (Turkey, Iran, and Afghanistan) which border the USSR and which are the only nations on the Soviet periphery that, since 1939, have not lost territory or political independence to the USSR.

The USSR constitutes the only threat to Iranian independence. Soviet interest in Iran is political rather than economic because, as the Soviet General Staff pointed out in 1941, "Iran is today a country of great strategic importance since it could be used as a base for launching an attack against the Soviet Union." Conversely, Iran might be used by the USSR as a base for attack against other Persian Gulf areas of vital interest to the US.

During the Allied occupation, the Soviets gained a foothold in northern Iran, established political and propaganda agencies throughout the country, sponsored pro-Soviet political parties and labor unions, furthered seditious and separatist movements, prevented the Iranian Government from exercising its sovereign authority, and applied pressures of various kinds on the government. The Soviets' most manifest accomplishments during this time were the creation of a pro-Soviet autonomous state in the province of Azerbaijan and making preliminary arrangements for the establishment of a joint Soviet-Iranian oil company, the proposals for which have not yet been submitted to the Iranian Parliament for ratification.

Although the Soviets gave no material support to the autonomous regime in Azerbaijan when Iranian troops entered the province in December 1946 and reclaimed it for the Central Government, and although they recently gave in to Iranian demands that they cease illegal air operations in the northern part of the country, the USSR has not abandoned its ultimate aim of securing domination of Iran. Preliminary objectives are to establish control over Iranian territory contiguous to the Soviet border and to install a government at Tehran subservient to Moscow. To achieve these ends, the Soviets are seeking a preferential position in the northern provinces by exerting pressure on the Iranian Government to ratify the Soviet-Iranian oil agreement, to grant special air rights, and to reject US assistance and advice. This pressure is exerted through propaganda directed largely against the Iranian Government and the US, subversive activities directed at undermining internal security and stability, and threats implying the use of force. If these efforts fail, the USSR may eventually intervene forcibly in Iranian affairs, presenting the United Nations with a fait accompli on the pretext that Soviet security was jeopardized by Iranian instability.

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Iran will continue to resist Soviet pressure, relying on aid and advice from the US, and upon US support in the UN. The Shah, the army as a whole, influential tribal chiefs, landowners, and the clergy have consistently maintained an anti-Communist attitude. Iranians in general dislike the USSR but have a strong friendly feeling for the US. The reorganized cabinet of 21 June is further to the Right than its predecessor and will strengthen the anti-Soviet tendencies of the government. Moreover, the parliament elected in 1947 is composed almost wholly of moderates and conservatives.

There are, however, internal factors which make for instability and thus threaten Iran's continued independence. The tribes (many of them well armed) are dissatisfied as a result of the government's failure to adopt a reasonable tribal policy. Rivalry between the Shah and Prime Minister Qavam may prompt the Shah to seek Qavam's removal as soon as he finds a qualified successor who will be more amenable to his wishes. Because of Iranian inexperience and maladministration, the administrative, social, and economic improvements necessary for internal stability cannot be effected without adequate support by foreign powers and supervision by foreign advisers, together with the effective cooperation of the Iranian Government. The ultimate strength of Iranian resistance to Soviet pressures will depend largely on the extent and effectiveness of US and British support, and Iranian confidence therein.

Iran unaided is incapable of offering effective resistance to a military invasion. The topography of the country offers easy access from the USSR on both sides of the Caspian, and in the event of a Soviet attack, the Iranian forces (without immediate and substantial reinforcement by the Western Powers) would quickly disintegrate. Because of its internal weaknesses and vulnerability to attack by the USSR, Iran is the most insecure link in the chain of independent states along the Soviet border in the Middle East.

If Iran, "peaceably" or as the result of military invasion, should come under Soviet domination, the independence of all other countries in the Middle East would be threatened, and the interests of the US would be jeopardized throughout the area. Specifically, if the USSR occupied or dominated Iran, it would: (a) gain control of the oil resources now exploited by the Anglo-Iranian Oil Company; (b) threaten the oil fields in nearby Iraq, Kuwait, Saudi Arabia, and Bahrein; (c) acquire additional bases for carrying on subversive activities or actual attack against Turkey, Iraq, Afghanistan, and India; (d) control continental air routes crossing Iran, threaten those crossing Iraq, the Arabian Peninsula, and the Persian Gulf, and menace shipping in the Persian Gulf; (e) undermine the will of all Middle Eastern countries to resist aggression; and (f) acquire a base 800 miles nearer than any held at present to potential British-US lines of defense in Africa and the Indian Ocean area.

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SECTION IPOLITICAL SITUATION1. Genesis of the Present Political Systema. Establishment of the Constitutional Monarchy

Little within the past history and experience of Iran has prepared the people for the development of a democratic state. The country was ruled by absolute monarchs for more than 2000 years and over this period displayed a remarkable continuity of culture in spite of recurrent invasions, transient foreign dynasties, and territorial changes.

The political revolution which resulted in the granting of the Constitution of 1906 was the outgrowth of public disgust with the decadent rulers of the Qajar line, who were disposing of national resources and independence to Great Britain and Russia, and of the fervent interest of small but highly vocal groups of Iranians in the popular governments of the West. The revolutionary movement, actively opposed by Czarist Russia and tacitly supported by Great Britain, included such diverse elements as younger liberals, the merchant class, enlightened members of the clergy, and tribal groups. The latter bore the brunt of the limited fighting.

The Iranian people, inexperienced in democratic processes and long habituated to despotism, made little headway with constitutional government. Feudal lords and landowners exercised a large measure of control over the population and the administration; during World War I the constitution was virtually suspended, the legislative body did not convene, and the cabinet proved incapable of taking any decisive action. The continuation of the government's instability well beyond the end of the war enabled Riza Khan, an army colonel encouraged by British officials, to march on Tehran with his Persian Cossack Brigade and turn out the vacillating administration.

b. The Reign of Riza Shah

Riza Khan, though of humble origin and without formal education or knowledge of the world beyond Iran, was a man of forceful character who was determined to rouse his country from its lethargy. First, he had himself made minister of war, and then prime minister. Early in 1925, he secured dictatorial powers from the parliament, and later that year a Constituent Assembly chose him as the first Shah of the "Pahlevi" dynasty.

Riza Shah's aims were to promote national pride and unity among the Iranians, to establish an independent Iran worthy of the respect of other nations, and to reshape the country as quickly as possible according to Western models. Without actually abrogating the constitution, the Shah

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ruled as an absolute monarch, controlling all phases of public and private life by instilling among the people fear of his personal power and by ruthlessly using the army which he had reorganized, enlarged, and trained. Cabinet ministers and the parliament were completely subservient to him; blundering officials and personal opponents met with imprisonment or death. The Qajar family were made powerless; and the Moslem clergy, because of its power and influence with the people and its resistance to change, was reduced in wealth and authority.

On the other hand, the Shah made a determined effort to Westernize the country, using as a model the Ataturk regime in Turkey. Some attempt was made to industrialize the country (a number of small factories were built, and the transportation system was improved) and to alter the ancient social structure. The numerous class distinctions were weakened, and a type of uniformity was established by the forced adoption of Western dress. Efforts were made to replace sectional languages with Persian. The religious schools were replaced by state schools with a broadened curriculum.

These reforms, however, were often debased to serve specific ends. Thus, education stressed glorification of the ruler rather than the intellectual growth of the student, and the development of state-guided "thought control" worked against the rise of intelligent public opinion. Foreign specialists employed to guide industrialization and to reform the administrative system were gradually deprived of authority because of Riza Shah's mounting antipathy toward foreign countries. When the government, in the role of "supreme economic organizer," established monopolies over imports and exports and developed state-owned factories, much of the profit went to the Shah, whose efforts directed toward the advancement of Iran were made increasingly subservient to his interest in building up personal riches.

The end result of the domination of the country by Riza Shah was the failure of officials, through fear, to take the initiative or to assume responsibility. In addition, the dictatorship created a universal feeling of resignation and helplessness and left a low level of moral stamina and character which is directly reflected in present-day political life and public activity.

Until a few years before the outbreak of World War II, the government of Riza Shah appeared to be sound. Actually, the complicated system of monopolies, in part supported by barter arrangements with Germany and the USSR, was on the point of collapse; and chaos prevailed at every level of the administration. Intolerant of possible rivals, Riza Shah had eliminated the few capable administrators who had come to the fore.

During the early stages of World War II, Riza Shah continued the employment of German technicians and encouraged close relations with Germany, which had assumed first place in Iran's foreign trade. Despite Allied

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representations, Riza Shah did not reverse the pro-Nazi trend of his policies after the outbreak of hostilities between Germany and the USSR; and it became strategically necessary for Soviet and British troops to invade Iran in the fall of 1941. The country was quickly occupied; Riza Shah was deposed; and his young and politically weak son, Mohammed Riza Shah, was put on the throne. Riza Shah was exiled to South Africa, where he died in 1944.

c. Iran during Allied Occupation

(1) Conduct of the Government

Allied control in Iran was limited to matters of military necessity, and consisted largely of imposing economic measures to regulate Iran's imports and exports, and of adapting Iran's transportation facilities to the needs of the Allied supply mission. Thus, freed of Riza Shah's dictatorial rule and only partially restricted by Allied supervision, the country had an opportunity to attempt a constitutional form of government.

The new Shah's power was restricted, and government prerogative was exercised by cabinet and parliament--with only moderately successful results. The parliament which had been elected prior to Riza Shah's abdication was composed chiefly of deputies of long standing who were unaccustomed to freedom of action or to responsibility. Although a new parliament was elected in 1943, it showed little improvement over its predecessor. Moreover, the cabinets, which received little support from parliament, lacked stability: between 1941 and 1946 the official life of a prime minister was merely a matter of months. During the occupation, the government was chiefly concerned with negotiating the Tripartite Treaty,* facilitating the development of the Allied supply route from the Persian Gulf to the USSR, and adapting Iran's economy to wartime restrictions.

(2) The Rise of Political Parties

Political parties, a phase of public activity almost entirely new to Iran, began to spring up during the Allied

* Dated 29 January 1942, this treaty between Great Britain, the USSR, and Iran defined their respective wartime roles in the area, and proclaimed Soviet-British intentions to: (a) respect Iran's sovereignty, territorial integrity, and political independence; (b) safeguard the economic existence of the Iranian people against privations resulting from the war; and (c) withdraw their forces not later than six months following the cessation of hostilities.

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occupation; their formation was encouraged by the relaxation of the controls on speech, press, and assembly, imposed by Riza Shah. Eight or ten minor parties, as well as several parliamentary factions, were soon in existence, but most of them failed to take root, mainly because there was no widespread public interest in party politics, and the art of party organization and political pressure was little understood. In general, the various parties were conservative or liberal, or, according to popular over-simplification, pro-British or pro-Soviet. The most prominent of these parties were the Tudeh (originally combining liberal and leftist elements) and the National Will (conservative).

(a) Tudeh Party

The Tudeh or "Masses" Party was the first to appear. Most of the founders were educated men, imprisoned as suspected Communists by Riza Shah but released after the Allied occupation. This group included both Communists trained by Moscow and liberals who were sincere advocates of social reform. The new party, confronted with the choice of waging an independent struggle with little hope of early success or accepting Soviet advice and concrete support with the possibility of achieving its goal in the near future, chose the latter course. Funds became available; party newspapers were published; and the party elected eight members to the 14th Parliament of 1944-46. Seven of these eight came from the Soviet-occupied section of the country, and in parliament they achieved through solidarity a position of strength out of proportion to their numbers. The party solicited members, encouraged the formation of labor unions, and promoted strikes. As a result, wages actually increased in industrial towns and working-class support of the party grew.

Measures favoring Soviet influence in Iran and demands by the USSR on the government were supported by the Tudeh Party, under the protection and encouragement of Soviet troops. It became increasingly obvious that the party was following the dictates of Moscow.

In 1945 the province of Azerbaijan became the focal point of Tudeh activity. There Soviet direction was stronger and more apparent, while local leaders, rather than being educated Iranians, were often Soviet-trained agents. The active revolutionary and separatist movement within Azerbaijan was fostered by the Tudeh through the "Democratic Party of Azerbaijan," which derived from the provincial branch of the Tudeh Party.

(b) National Will Party

Opposition to the Tudeh group was furnished by Seyyid Zia ed-Din Tabatabai, a religious and political leader who founded

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the National Will Party in 1943. His party was supplied with considerable funds by wealthy Iranians and soon had its own press and program of proposed social and economic reforms. Ziaed-Din became the symbol of opposition to Communism. He was regarded by the Soviets and the Tudeh Party as the tool of the British, from whom he received advice and encouragement. He made a strenuous effort to win the interest of the United States in his party, using his influence in Parliament to support the various US advisers then in Iran. Only a few of the deputies actually belonged to his party, but with the occasional support of other conservatives he was able to block legislation or discussion in parliament. In general, his aim was to preserve the political status quo and to foster a revival of religious influences.

Other parties, notably the Iran (in general, an association of young liberals) and the Mardom (a moderate group representing business interests), were politically active during this period but lacked the solidarity and discipline evidenced by the Tudeh Party. By the fall of 1945, the Tudeh assumed that it would be able to sweep the forthcoming elections in the Soviet-occupied areas of northern Iran, and might be able to win control of the 15th Parliament. In October 1945, however, the 14th Parliament passed, by a large majority, a bill postponing the elections until six months after all foreign troops had left the country.

d. Initial Problems of the Present Administration

In January 1946 Ahmad Qavam, an astute statesman of long experience, was chosen prime minister by a majority of one vote in parliament, the Tudeh deputies supporting his candidacy. The new Prime Minister was faced with the tasks of (1) coming to terms with the USSR, which had failed to withdraw its troops from Iran and was seeking to retain a foothold in the country; (2) resolving the conflict between opposing political groups in Iran; (3) settling tribal disorders through negotiation; and (4) effecting the return of the Soviet-dominated province of Azerbaijan to the Central Government. Qavam was generally thought to be the only man acceptable to the USSR strong enough to solve these problems. He was regarded as a clever, unscrupulous, and ambitious politician of the old school, but it was also recognized that he was intelligent, energetic, and business-like, even though harsh and dictatorial in his relations with officials.

(1) Relations with the USSR

When Qavam took office, Iran had just protested to the Security Council that Soviet officials and troops were interfering in the internal affairs of the country. When, in 1945, the Central Government had sought to suppress a rebellion in Azerbaijan, Soviet forces had prevented Iranian troops from entering the province, and a pro-Soviet autonomous regime had been established. Moreover, a "Kurdish Republic"

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was being formed among the tribes in the southwestern part of the province, also under the aegis of the USSR.

In February, while the Security Council was considering the Iranian appeal, Qavam attempted to reach an understanding with Stalin and Molotov in direct conversations at the Kremlin. No agreement was reached, and Moscow announced on 1 March that Soviet troops would remain in northern and northwestern Iran pending clarification of the situation.* On 18 March Iran protested to the Security Council regarding the continued presence of Soviet forces in Iran.

Finally, in April, an exchange of notes between Qavam and the Soviet Ambassador resulted in an easing of the tension. These notes provided for (1) submission to parliament for ratification of an agreement covering the exploitation of the oil of northern Iran by a joint Soviet-Iranian company; (2) withdrawal of all Soviet troops from Iran within a period of six weeks after 24 March. At the same time, the question of Azerbaijan was covered by a communique, issued jointly by Qavam and the Soviet Ambassador, which recognized Azerbaijan as an internal Iranian affair. In effect, Qavam had committed himself to sponsor a Soviet oil agreement in exchange for the evacuation of Soviet troops from Iran (completed in May 1946) and for an opportunity to negotiate with Azerbaijan. Having temporarily disposed of the international crisis, Qavam was free to deal with major internal problems; and since the term of the 14th Parliament had expired early in March, he could work without parliamentary checks and controls.

(2) Consolidation of Political Groups

Qavam demonstrated his astuteness in resolving the conflict between opposing political parties. Feeling the necessity for initial Tudeh backing, he first moved against the "reactionary" element, which was quickly silenced with the arrest of Ziaed-Din (leader of the conservative National Will Party) and several of his supporters. Qavam announced the formation of his own party, the Democratic Party of Iran, and stated that the problems of the country could be solved only by the collaboration of this new party, the Tudeh Party, and the Iran Party (a smaller group which later split into pro-Tudeh and pro-Qavam factions). The formation of the new party, as was later revealed, was a calculated step against the Tudeh group.

When Qavam formed a new government in August 1946, he brought three founders of the Tudeh Party into his cabinet and assigned posts

* Under the terms of the Tripartite Treaty (see footnote, page I-3) Allied troops were scheduled to evacuate Iran six months after cessation of hostilities. Both Great Britain and the United States interpreted this deadline as 2 March 1946.

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to two other ministers with pro-Soviet leanings. Later, however, with the power of his own party increasing, he felt strong enough to order the arrest of several Tudeh leaders involved in labor riots against the Anglo-Iranian Oil Company and to oust the Governor of Tehran, who was also a member of the party. When the Tudeh ministers remained away from cabinet meetings in protest, Qavam resigned, was reinstated, and then formed a new cabinet of personal followers and moderate politicians, none of whom was affiliated with Tudeh.

After the formation of the new cabinet, a wave of enthusiasm arose for Qavam's party, and chapters were organized in many parts of the country in preparation for the elections which had been called for by the Shah. The Tudeh Party, realizing that its influence was declining, announced at the end of 1946, following the collapse of the Azerbaijan regime, that it would take no part in the forthcoming elections. In January 1947 the party eliminated some of its Communist founders and stated that it would continue as a progressive national party. By May 1947 nearly all the election returns were in, and the majority of the successful candidates were members of Qavam's party.

(3) Negotiations with the Tribes

The temporary success of the movements in Azerbaijan and Kurdistan had encouraged various tribal groups to make demands on the Central Government.* The leaders of these groups, however, were anti-Soviet and distrusted the apparent favoritism shown by Qavam to the Tudeh Party. Serious armed clashes occurred in July 1946 between Iranian Arabs inhabiting Khuzistan Province and Tudeh Party members when the Tudeh called a general strike against the Anglo-Iranian Oil Company.

In August 1946 the tribal heads of the powerful Qashqais, most of whom live in the southern province of Fars, told Qavam that they would oppose any attempt of the Tudeh Party to penetrate southern Iran, and presented certain demands in the form of an ultimatum to the Prime Minister. When the demands were not met, the Qashqais

* For centuries the tribal and non-tribal populations of Iran have been mutually distrustful and hostile. At earlier periods the government made efforts to break the strength of the tribes by transferring whole groups to parts of the country remote from their tribal lands. During the reign of Riza Shah, tribal disarmament was carried out by large-scale army campaigns accompanied by executions, extortion, and the establishment of martial law. Large areas of tribal land were taken over by the government, and attempts were made to settle groups in villages and to conscript the young men into the army. In 1942 the tribes began to agitate for the return of their lands and for freedom from oppression by the army and civil officials.

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moved against the government garrisons in the south and captured several towns. The government elected to come to terms with the Qashqais rather than risk a contest of strength. According to the agreement eventually reached, tribal representation is to be assured by an increase in the number of deputies elected from the area; local roads are to be improved; the railway is to be extended to Fars Province; and steps are to be taken to expand the educational system and the public health services. On the other hand, tribal arms are to be relinquished in successive steps, with the Qashqais retaining about one third of their arms until the government is in a position to guarantee local security. A similar but poorly organized attempt by the neighboring Bakhtiaris to oppose the government was frustrated by the arrest of their leaders in September 1946.

(4) Recovery of Azerbaijan

Qavam proceeded slowly and cautiously in negotiating the return of Azerbaijan to the Central Government, although the USSR had withdrawn its troops from the province in May and had agreed to let Iran settle its differences with the autonomous regime. Finally in June, a tentative agreement was reached between Tehran and Azerbaijan, but the latter showed little inclination to carry out its commitments, and the Central Government in Tehran evidenced a growing determination to resolve the issue by force.

Qavam announced in November that elections for the 15th Parliament would not be held until Iranian security forces had been dispatched to all the provinces to maintain order during the voting. The Azerbaijan Government, however, refused to carry out its earlier agreement to permit Central Government supervision of elections, doubtless believing that Qavam's intentions were to secure possession of the province by force. Urged by the Shah, Qavam decided that force must be used despite the Soviet Ambassador's repeated warnings against military action, and operations began in mid-December. The Soviets gave only moral support to the autonomous regime, and Iranian troops, welcomed by most of the people and encountering but slight resistance, entered Tabriz within four days. The provincial government collapsed; some of the leaders fled to the USSR; some were killed on the spot or later executed; still others were placed in custody; and the province was returned to the authority of the Central Government. The Kurdish "Republic" collapsed at the same time.

2. Present Governmental Structure

Although the Iranian Constitution is a modern, liberal document patterned largely after Western European models and providing for the division of governmental authority between legislative, executive, and judicial branches, it has never fully functioned as intended.

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The legislative branch was to include a senate, a chamber of deputies not to exceed 200 members, and a small group of clergy to see that all legislation conformed to the precepts of the Moslem religion. The senate, however, has not been convened since 1921 and the clerical group has never functioned. Current election laws fix the number of deputies at 136. Elections, theoretically secret and free, are in fact controlled by the administration through an elaborate electoral procedure under the direction of the Ministry of Interior. Ballots are cast by only a small percentage of the electorate, and in the villages almost all voters have been bribed or instructed how to vote. Since the abdication of Riza Shah, the parliament has taken an increasingly important part in the conduct of the administration, although the decisive role in government is played by the executive branch, consisting of the Shah and the cabinet.

The Shahinshah, or "King of Kings," has powers limited and defined by the constitution. These include the appointment and dismissal of cabinet members by royal decree; the declaration of states of war and peace; the command of the armed forces; and the conferring of military rank. In actual practice the exercise of power by the Shah has been determined only by the strength or weakness of the individual. The present Shah, who took the throne when it was stripped of most of its power, has constantly sought to expand his authority and has added significantly to his political stature. Since he has gained much of his influence through his control of the Iranian Army, he has been able to exert greater influence on the course of governmental policies than is prescribed under the constitution.

Qavam was selected prime minister in parliament by a poll of candidates proposed by the deputies, and was then appointed to the post by the Shah. Since the term of the parliament expired shortly after he took office, Qavam has not had to face "confidence" votes but has had to placate only the Shah. Qavam, who has had five separate cabinets since January 1946, has usually followed the practice established by his predecessors of choosing his ministers from among a limited number of elderly ex-ministers who rotate through the various posts, regardless of whether they have special training for such posts. It is not uncommon for the prime minister to hold several of the twelve cabinet posts, and in some of his recent cabinets Qavam has occupied the Ministries of Interior and Foreign Affairs as well as the premiership.

The judiciary branch, composed of a Supreme Court and lesser courts, does not play the important role in Iran that it does in the West; in general, the process of justice is slow and decisions are subject to political and economic pressure. Civil liberties, though they are guaranteed by the constitution, are frequently suppressed. Prior to 1941, freedom of speech and of assembly was forbidden by Riza Shah; and after that time Tehran, the vital center of public opinion, was placed under martial law, and newspapers were suppressed for attacks on the administration and on the Allied Powers. Martial law, briefly lifted in June of this year, has been reinstated, and the Prime Minister has been active in banning those newspapers

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most critical of his rule. During the past year and a half, the real power to rule in Iran has been rather evenly balanced between Qavam on the one hand, and the Shah and the Army on the other. Qavam, by clever juggling and by keeping his own counsel, has for the most part held the initiative, but not without coming into much conflict with the Shah. Although the constitution envisages a democratic government with authority eventually resting in the people, ignorance and apathy on the part of the electorate and the irregularities in the election of parliament have kept the population from exercising real sovereignty.

3. Current Issues

The possibility of aggression by the USSR continues to be Iran's greatest concern. Supplemental to this basic concern are the two most important foreign issues now confronting the government: the Soviet oil agreement (see page III-3) and the procurement of military supplies from the US (see page III-6).

Vital domestic issues include: control of subversive elements; supervision of labor unions; reduction of unemployment and inflated living costs; implementation of the economic development program; and settlement of the tribal problem.

4. Stability of Government

Of the many prime ministers Iran has had since 1941, Qavam has remained in office the longest. He has maneuvered himself into a position of seeming indispensability, and the majority of the new parliament are members of his own party. Although Ali Mansur, a former prime minister and at present Governor General of Azerbaijan, is most frequently mentioned as a possible successor, it is generally believed that neither he nor any other successor would display the ability of Qavam in dealing with the USSR while remaining on satisfactory terms with Great Britain and on good terms with the United States.

The 15th Parliament convened on 17 July. Qavam will now face a test of strength when he seeks parliamentary approval of actions taken during the interim and requests consideration of matters requiring action, such as decisions on the Soviet oil agreement and on the plan for procuring military supplies from the United States. Many of the deputies in the new parliament were also in the 14th Parliament, and there is danger that the new body will repeat the tendency of its predecessor to disintegrate into small groups which intrigue against each other and against the administration. Under such circumstances, Qavam's position would be seriously weakened.

Lack of harmony between the Shah, who is supported and encouraged by the army leaders, and the Prime Minister, who has the support of important political figures and powerful tribal leaders, is also a factor making for

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instability. The Shah's habit of consistently by-passing the Prime Minister and the Minister of War in dealing directly with the ambitious and xenophobic Chief of Staff, Maj. Gen. Ali Razmara, on matters concerning military administration has added to the tension. Some observers regard Razmara as dangerous to the stability of the government and as possibly desirous of establishing a military dictatorship. The Shah might encourage such a coup d'etat, but the creation of a military government would be generally unpopular and actively opposed by the tribes.

Contention between the Shah and Qavam also exists over the gendarmerie, which Qavam insists on keeping under the Ministry of Interior, while the Shah and the generals urge that it be returned to the control of the army. While Qavam advocates a moderate policy in dealing with the tribes, the Shah, whom the tribes distrust because of his support of army extremists, seems to favor severe measures in subjugating them. The deep-seated antagonism between Qavam and the Shah has not been ameliorated by the fact that both of them have sought to counter Soviet influence and the spread of Communism in Iran.

Iran is not an ideal field for the propagation of Communism, which has made only limited headway in the few industrial centers of the country. The tenets of Communism run counter to the basic precepts of the Moslem religion, which still maintains a firm grip on the mass of people; and the highly individualistic and egocentric Iranian has shown little inclination to support group movements of any sort, or to concern himself actively with the well-being of his fellow-men. The paternalistic tribes, on the whole, form one of the strongest bulwarks against Communism.

At the present time, it appears most likely that Qavam will continue in office despite the Shah's declared intention to seek his removal once the Soviet oil proposal has been disposed of. Long-term stability of the government, however, can be achieved only through an actual rather than a mere paper program of social and economic reforms aimed at raising the standard of living. Furthermore, graft and maladministration in government must be dealt with; the tribes must receive fair treatment and a proportionate share in the government; and the basic problem of the poverty of the many and the concentration of wealth in the hands of a few must be squarely faced. The lack of honest, capable administrators militates against the enactment of necessary reforms. No government has yet made a determined effort to deal with these fundamental problems. Preliminary steps taken by the current administration, however, and the growing awareness of influential leaders, including tribal chiefs, of the importance of effecting social and economic improvements as a means of strengthening internal security and resisting external interference, indicate that the government hopes to proceed with the carrying out of sound improvements.

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SECTION IIECONOMIC SITUATION1. Introductory

While Iran's extensive oil production, the fourth largest in the world, is of great international significance and is a substantial source of revenue for Iran, the economy of the country is still largely based on agriculture, from which 80% of the total population draws its livelihood. In normal years Iran not only produces all of its essential food requirements but also has some surplus. Exports of these agricultural items and of carpets, plus royalties from petroleum, are sufficient to give Iran a favorable balance-of-payments position. Recent industrialization, developed on a moderate scale, has had little influence on the mass of the population, but the need for imported machinery, structural and railway material, and motor equipment has increased the country's dependence on foreign trade and necessitates greater production for export to meet the need for foreign exchange. The state owns and operates the most important factories and holds monopolies over many exports and imports. Today the level of economic activity in Iran provides a standard of living comparable to that of the Near East in general.

2. Genesis of the Present Economic System

Relatively prosperous for many centuries under a feudal system, Iran suffered a serious deterioration of its economic prosperity after 1700. Irrigation works fell into ruin; the population decreased; and agricultural productivity declined. During the nineteenth century Iran became a market for British and Russian processed goods as well as a source of raw materials for these and other countries. Iran's customs tariffs were dictated by Russia and Great Britain, but Western methods of industrialization and of commerce and trade scarcely penetrated the country until the period of Riza Shah. He placed major emphasis on the development of financially burdensome industrial projects and non-revenue-producing municipal improvements, and did little to expand agriculture, the principal source of national income.

During Riza Shah's reign, laws were enacted placing all dealings in foreign exchange and all foreign trade under state control. The government monopolized more than a third of the actual goods involved in the export and import trade and supervised the remainder through a system of trade licenses and exchange permits. Articles of both foreign trade and of domestic consumption were placed under monopolies, some of which were operated directly by departments of the government while others were assigned to private stock companies, in many of which the government held a controlling share. The textile, sugar, tea, and tobacco monopolies were designed to protect infant industries against foreign competition, while

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other monopolies, such as that over the importation of automobiles, were designed to assist in reducing the trade deficit and to increase the national revenue. In the years just prior to World War II this system was proving cumbersome and costly. Iran began to enter into barter agreements with other countries, notably Germany and the USSR.

The impact of the war on Iran brought spiraling inflation, and the economic life of the country became chaotic. With shipping space scarce and the supply of goods limited, only the most essential items were imported and these only through the media of Allied agencies. The rationing of sugar, tea, and piece-goods by the government demanded a retention of monopolistic control over these items. The government prepared sketchy long-term plans for economic recovery, and maintained control over trade, industry, and transactions in foreign exchange. Although no real progress was made in implementing the recovery programs, the end of the war lessened the immediate pressure in many fields.

3. Description of the Present Economic System

a. Agriculture and Livestock (*)

Only a third of the total area of the country is arable, and of this only one fifth is farmed. In years of normal harvest, however, Iran's agricultural production is ample to provide (with the exception of tea and sugar) the simple diet to which the Iranians have long been accustomed, and to supply a limited surplus for export. Over the past ten years, the annual average of this surplus, much of which goes to the USSR, is as follows:

Wheat and barley	12,000 tons
Rice	26,000 tons
Cotton	3,500 tons

Cereals (including wheat, barley, and rice) are the staple crops of the country, with some 6,400,000 acres under cultivation. Wheat is raised in all sections having sufficient moisture except along the Caspian, where rice is extensively grown instead. Dates are grown in the region inland from the Persian Gulf. Estimated yields for the year ending 20 March 1947 are:

Wheat	2,080,000 tons
Barley	1,240,000 tons
Rice	294,000 tons
Dates	90,000 tons

Other cash crops include tobacco, sugar beets, fruits, and nuts.

(*) All figures used are approximations, since entirely dependable statistics are not available.

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Agricultural production is conditioned by the fact that rainfall in most of the country is less than twelve inches a year. In most of Iran, crops can be grown only by irrigation, water being obtained either from mountain streams or from hand-dug tunnels (qanats) which tap the water tables at the foothills of the mountain ranges. Many cereal crops, however, are grown by dry farming in the slightly moister regions of northwestern and northeastern Iran. If winter precipitation is sparse, the country suffers from a cereal shortage. In the years between the two wars, such shortages were met by the purchase of wheat, largely from Australia.

Most of the land is in the hands of wealthy landlords, who own the villages, fields, and water supply, while the peasants operate as share croppers. In 1947 a governmental regulation provided for an increased share for the peasants, but it is doubtful whether this regulation will be immediately effective. Sowing, plowing, reaping, and threshing are done by hand with the aid of oxen, wooden plows, and primitive threshing equipment.

The amount of Iran's arable land could probably be doubled and agricultural production greatly increased if a careful program were instituted to extend the irrigation system and to improve farming methods. While a few areas lend themselves to large-scale machine cultivation, a wider field of improvement lies in the greater use of fertilizers, crop rotation, soil erosion control, pest control, and in the introduction of modern farm tools and equipment.

Domestic animals number some 24,000,000, of which 80% are sheep and goats, 15% cattle, and the balance horses, donkeys, and camels. Much raw wool is exported, but the majority of the yield is used within the country in textile manufacture and the weaving of rugs and carpets, an important item of export. Hides, skins, and intestines for sausage casings are exported in considerable amounts. The cattle are small and poorly nourished, and the sheep need cross-breeding with foreign types to improve quality and to increase the quantity of wool. The country, which needs more meat, wool, and dairy products to provide a higher standard of living, could profit from a program of encouragement and aid to nomadic tribes in expanding and improving flocks and herds.

b. Natural Resources

(1) Petroleum

Iran, as the foremost oil-producing country in an area which contains 40% of the world's proved petroleum reserves, will play an increasingly important role in political and economic developments which affect the world's petroleum supply balance. Oil occurs in oval limestone domes relatively near the surface, and the wells are free-flowing. The oil is conveyed by pipelines to a modern refinery, rated among the world's largest, on the island of Abadan at the head of the Persian Gulf.

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Currently, Iran's oil resources are being exploited by the British. Operating under a concession from the Iranian Government, the Anglo-Iranian Oil Company (AIOC), in which the British Government holds a controlling interest, has developed seven producing fields in the region near the head of the Persian Gulf (see page III-5). The AIOC has proven reserves of 6.5 billion barrels, and the present annual production is about 145 million barrels. The bulk of the oil is exported from Abadan by tankers, but pipelines are now projected for delivering the oil to a Mediterranean port. The AIOC, rather than the Iranian Government, controls the amount of oil produced and its sale. Royalties to Iran average between £4,500,000 and £5,000,000 annually, and production has steadily increased during recent years.

Iran's limited internal demands for petroleum products are met largely by a refinery at the town of Kermanshah operated by a subsidiary company of the AIOC. The crude oil is pumped eastward to the refinery from a field which straddles the frontier between Iran and Iraq, near the town of Qasr-i-Shirin. Before the war the USSR also sold kerosene, gasoline, and fuel oil from its Baku fields throughout the northern section of the country and has again entered this market.

Iran's untapped oil reserves are probably very great. Natural oil seepages are found in the areas adjacent to the Caspian Sea, west of Tehran, and in southeastern Iran near Kerman. Foreign geologists have noted the presence of typical oil-bearing formations in these and other sections of the country, although the existence of oil in commercial quantities has not been proved in any of these areas. Under Iranian law, oil and other mineral resources may not be exploited by the owners of the land but are subject to direct control by the state.

(2) Other Minerals

In addition to oil, Iran possesses varied mineral resources, although comprehensive surveys of the entire country have not been made. Deposits of coal and the ores of chrome, iron, copper, lead, sulphur, nickel, antimony, and red oxide all have been worked in the past or are under exploitation at the present time. The bulk of the present mining is for coal and copper and is carried on by the government for domestic use. Coal deposits are found in several sections of the country, and bituminous fields in the ranges north of Tehran serve the industrial needs of that city. Copper mines are being worked in the vicinity of Anarak, Zenjan, and Shahrud. Some 20,000 tons of red oxide are exported annually from the island of Hormuz in the Persian Gulf.

The last foreign mineral concession, granted to a Netherlands concern, covered much of north central Iran. It lapsed during the recent war, and it is unlikely that similar concessions will be granted to foreign interests.

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(3) Forests

Less than one twenty-fourth of the land area of Iran is wooded, and the plateau proper has only scattered and sparse stands, mostly of scrub oak. The northern slopes of the Elburz Mountains, however, are covered with dense forests of oak, elm, beech, poplar, box, and maple. The forests are an important potential source of national wealth. All cutting is theoretically under strict government control, but actually such control is not exercised.

On the plateau the scarcity of timber is met in part by the cultivation of irrigated groves of poplars, while willows and plane trees are grown along the irrigation channels. Mulberry trees are grown for silkworm culture.

c. Industry

By 1941 Iran had, as a result of Riza Shah's efforts to make the country industrially self-sufficient, twenty-two state-owned and-operated factories and some 275 privately owned minor industrial plants, the majority of which were devoted to sugar refining, textile manufacture, and processing of metals.

Special attention was devoted to the production of sugar, for the refining of which eight factories were built. These factories have a rated annual production of 44,000 tons, or over one third of the amount consumed by the country.

Textile plants were established at Isfahan and at various towns in the north. The total output of all cotton, wool, and silk-weaving mills has attained 21,000,000 yards per year. This amount comes far short of meeting the domestic demand, and in recent years imports of cotton piece goods, with the USSR as the principal supplier, have reached 20% of the total value of all imports.

The erection of plants for the smelting and working of minerals has lagged behind original plans. At Karaj (25 miles west of Tehran) a steel mill with blast furnaces and rolling facilities had been 70% completed when World War II broke out, and it is not yet in operation. At present, all structural iron and steel must be obtained from abroad. Near Tehran is a government plant which produces copper ingots and copper wire. Such materials as sodium carbonate, caustic soda, hydrochloric and sulphuric acids, potassium bichromate, borax, alcohol, and niter are prepared in limited quantities.

Industry other than petroleum is largely concentrated at Tehran, with secondary centers along the Caspian coast, in Azerbaijan Province, and at Isfahan. Few of the factories have been able to reach, much less to maintain, their rated output. Basic difficulties are poor management, the

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shortage of skilled workers, and the low efficiency of maintenance engineering. Foreign technicians were employed in numbers before 1941, and the services of such technicians are needed now. Many of the factories have curtailed or ceased operations because of inability to obtain spare parts and replacements.

The state-owned and -operated factories are so entangled in a system of administrative waste and graft that most of them lose money in spite of the fact that their products, protected by high tariffs, are sold at prices above world levels. There has been a good deal of agitation for the sale of most of the government factories to private companies.

The number of industrial workers in Iran is about 200,000, of whom approximately 60,000 are employed by AIOC, 52,000 by textile mills, and 26,400 by the railways. Workers in these industries are largely unionized under the Central Council of Iranian Trade Unions, which until recently was fostered by the Tudeh Party and dominated by pro-Soviet elements. Trade unions are now controlled by the government.

Special regulations issued in 1936 provide for governmental supervision and control of all workshops with motor power and of all plants of any type which employ more than ten people. In August 1946, a Ministry of Labor was created, which fixes minimum wage rates, settles wage disputes by arbitration, and operates an employment bureau.

d. Transportation

Almost all of the railway system of 1,585 miles has been constructed within the past twenty years. The trans-Iranian railroad joins the Caspian Sea with the major Iranian ports on the Persian Gulf, and recently constructed manufacturing plants are located largely in relation to rail service. Lateral lines now under partial operation east and west from Tehran will eventually provide transportation to the northeastern, northwestern, and southeastern sections of the country and should be more than adequate to handle the agricultural and industrial requirements of a major portion of Iran.

Roads, mostly with gravel and broken-stone surfaces, lead from the principal ports on the Persian Gulf and the Caspian Sea to the interior and connect Tehran with the more important towns in the provinces. Only two major routes are surfaced with asphalt, and, for the most part, the roads are poorly maintained. Partially improved roads and unimproved desert tracks serve less populous and more remote areas. On the whole, with proper maintenance and some extensions and improvement, the existing road-net would serve Iran's present limited essential motor transport requirements.

Iran has a small air line primarily devoted to internal traffic, and Tehran is the terminus of several international air lines. (See Appendix B for detailed information on all transport.)

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e. Finance

The financial position of Iran is potentially good. It has ample currency coverage, a small external debt, and substantial guaranteed revenues which provide the government with considerable amounts of foreign exchange. Iran's most important financial institution, the National Bank of Iran (Bank Melli), is an efficient and sound organization. Factors of weakness in Iranian economy are recurring unbalanced national budgets, tightness of dollar exchange, and the maladministration of government enterprises and finances.

Iran nearly suffered financial collapse, during the recent war when the hidden weakness of the financial structure came to light. Budgets had been balanced on paper only; the Ministry of Finance had been inefficiently subdivided and compartmentalized; a complicated system of checks and controls discouraged officials from assuming responsibility or taking positive action; no precise periodical statements of the financial balances of the country were available; and taxes were collected inefficiently and unfairly. Although a drastic reorganization was called for, little progress has been made so far.

The impact of the war caused a rise in the cost-of-living index from the 1936 level of 100 to 1085 in 1944. It fell to 726 in 1946, but has since risen to 809. Staple food items were in short supply during the war because of poor crops and inadequate distribution. Moreover, large quantities were consumed by foreign troops and substantial amounts withheld by hoarders and speculators, while imported essential goods fell below minimum requirements. Most important in promoting the spiraling inflation was the necessity of furnishing rials for Allied expenditures in Iran which increased the rials in circulation from 3½ billion in 1942 to almost 7½ billion in 1946.

In January 1943, the Iranian Government employed a US financial mission, headed by A. C. Millspaugh, which was given broad powers to combat inflation, reorganize the financial administration, establish an income tax with graduated rates, and balance the budget. The work of the mission, however, was complicated by major difficulties brought on by the war, by the failure of successive cabinets and parliament to give needed support, and by disagreements with the government and dissension within the mission itself. As a result the mission withdrew in February 1945.

The annual budget contains two general classifications: the ordinary and the commercial-industrial, which are approximately equal in size. The latest budgetary figures available are for 1943-44; they show the total income of the government to have been \$204 million and expenditures \$248½ million. The ordinary revenues of the country derived about 22% from the tobacco monopoly; 12% from AIOC royalties; 8% from income taxes; 8% from the opium monopoly (now abolished); 6% from indirect taxes; 7% from customs duties; 3% from the sugar and tea monopoly; and the rest from smaller items. The major expenditures from the ordinary revenue were 25% for the Ministry

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of War; 7% for the gendarmerie; 6% for the running expenses of the tobacco monopoly; 5% for the running of the opium monopoly; 6% for the Ministry of Finance; 5% for the Ministry of Education; 3% for the Ministry of Posts and Telegraphs; 2½% for the Ministry of Agriculture. Commercial-industrial budgets have consistently displayed an excess of expenditures over receipts.

Although the currency is well protected,* the tightness of foreign exchange has tended to undermine the position of the rial on the world market. From 1922 until 1941 the rate of the rial fluctuated between 15 and 40 to the dollar. At the time of the Allied occupation of Iran, Great Britain set a rate equivalent to 32 rials to the dollar, which remains the official rate. Actually the current free market rate at Tehran hovers around 60 to the dollar.

Purchase of rials by the Allies built up considerable assets in gold and foreign currency. The USSR still holds in Moscow some \$12 million in gold and \$8 million in US dollars, carried on the books of the National Bank of Iran and due Iran for war-time advances of local currency and supply of goods and services. The Iranian Government's demands for payment, renewed this year, have gone unanswered to date. Available dollar assets were largely expended, however, in the purchase of US Army surplus equipment amounting to about \$10 million. Foreign exchange continues to be tight because of the large amounts used as currency reserves, because dollars are scarce, and because only limited supplies are available for purchase in the sterling area although Iran has a surplus of sterling.

The internal and foreign debts of Iran, except for the debt owed to the National Bank, are small. There is a small issue of Treasury Bonds of recent date. Iran's present debt to the United States is about \$9 million, and if current negotiations for the purchase of US military supplies are completed, about \$20 million will be added to this amount. On the other hand, Iran has certain important sources of foreign exchange and gold. The British and Soviets have yet to make payments for their use of the Iranian State Railways during the war, although the British have made an offer of £4 million in settlement of this claim. Further, Iran receives about £18 million a year from AIOC royalties and from AIOC purchase of rials needed for its operating expenses in Iran. An unpublished Anglo-Iranian financial agreement of 9 November 1946 provided for the conversion of certain sterling balances into gold. In July 1947 certain current sterling payments were to become convertible into dollars. Iran, which has indicated to the International Bank for Reconstruction and Development its intention of applying for a loan of \$250 million, considers that the Anglo-Iranian agreement will provide substantial amounts for meeting obligations under such a loan.

* According to law, all notes issued since November 14, 1942, must be 100 per cent secured.

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f. International Trade

In the field of foodstuffs, Iran must depend upon imports for much of its sugar and tea, which for the past ten years have averaged 69,250 and 6,450 tons, respectively, per year. About two thirds of the cotton piece goods required must also be imported. Transport is entirely dependent upon the importation of railway and automotive equipment, rails, accessories, and spare parts. Factory construction requires imported structural iron and steel, and the machinery needed for replacement of worn-out equipment or for new industrial enterprises comes from abroad.

From 1930 until about 1936 Iran showed a favorable balance of trade; from 1935 to 1942 the value of imports and exports approximately balanced. Since 1942 there has been a trade deficit; in 1944 imports amounted to \$93 million and exports to \$25 million (exclusive of payments derived from petroleum). Trade deficits, however, were offset by revenues from the AIOC. Before the recent war, barter arrangements helped to maintain a balance of trade, and such arrangements are still in effect with the USSR. Much of the foreign trade is conducted on a short-term basis.

The following table represents the relative share of the foreign trade with Iran of those countries which were most active in the field:

<u>Country</u>	<u>1938</u>	<u>1942</u>	<u>1944</u>
USA	6.5	17.5	23.3
USSR	11.5	15.75	21.0
Great Britain	9.5	5.5	4.6
India	8.5	43.5	30.2
Germany	41.5	1.25	.1

India has risen to first place primarily because it was able to supply cotton piece goods and tea during the war years. These items were sold at very high prices, and with normal competition, India may not be able to hold its favorable position.

Recent and current imports of sugar, cotton piece goods, and machinery from the USSR have been balanced by exports to that country of rice, wool, hides, and dried fruit. The USSR, however, has been exacting from Iran six times the price for Soviet sugar and cotton piece goods that Iran pays to other countries for such commodities.

Nearly all the trucks, automobiles, spare parts, and tires and tubes bought by Iran come from the United States, and Iran also offers a limited market for American pharmaceuticals and toilet articles, industrial chemicals, paper and cardboard, hand and motor pumps, electric and Diesel motors, railway equipment, electrical communication and lighting equipment, and machine tools.

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4. Economic Stability

In the past, the foundation of Iran's economy was in agricultural production carried on by the bulk of a population which was remote from government authority and which made little use of imported or manufactured articles. Recent industrial development, however, has increased Iran's dependence on foreign trade. Moreover, thousands of Iranians, many of them former peasants, have entered the ranks of labor, earned higher wages while working for the Allies during the war, and have been organized into trade unions. But this industrialization is not so far advanced as it is in Western countries; consequently, Iran does not suffer the wide variations to which highly industrialized economies are subject. Furthermore, Iran has a constant source of revenue in AIOC royalties. Thus the nation is relatively stable economically.

A very real threat to the economic stability of the country, however, arises from the political situation vis-a-vis the USSR. Soviet interest in the northern provinces of Azerbaijan, Gilan, Mazanderan, Gorgan, and Khorasan will continue. If these provinces, or even Azerbaijan alone, were to be detached from Iran or to come under the control of the USSR, Iran's economic structure would be in danger of collapse because of the large concentration of population and resources in these areas.

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SECTION IIIFOREIGN AFFAIRS1. Genesis of Present Foreign Policy

In modern times Iran's foreign policy has been largely dictated by two circumstances: (1) the nation has not been able to defend itself against an attack by a major foreign power, and (2) it has been the scene of conflict between Russian and British interests in the Near East. Relegated to the role of an impotent buffer state between Russia and territory controlled by Britain, Iran has traditionally attempted to play off one power against the other. During and since World War II, its efforts have been largely directed toward resisting Soviet aggressive policies and actions.

Action by Russia and Great Britain in the nineteenth century forced Iran to relinquish control over extensive territory and to assume its present boundaries. As the result of two wars (in 1825 and 1827) with Russia, Iran lost areas which are now within the Azerbaijan, Armenian, and Georgian Soviet Socialist Republics. During the second half of the century Russia took over Turkistan, which had been under Iran's suzerainty. Great Britain forced Iran to recognize the complete independence of Afghanistan as the result of a brief war in 1856 and assumed control over Baluchistan in 1870.

In 1907 Russia and Great Britain agreed, without regard to Iranian sovereign rights, to set up respective spheres of influence in northern and south-eastern Iran. Following this agreement, both powers continued to exert pressure upon the Iranian Government, and each party carried on economic and political activity outside its sphere of influence. In World War I Iran was a battleground for the opposing armies of the Turks and the British and Russians, and, at the end of the war, the scene of conflict between British and Bolshevik forces.

After World War I, the new Soviet Government's preoccupation with its internal affairs,* and the strong stand of Riza Shah secured for Iran comparative freedom from foreign political influence.

* Under the Soviet-Iranian Treaty of Friendship of 1921, the USSR renounced all concessions and privileges gained in Iran during the Czarist regime, cancelled Iran's debts to Russia, and relinquished all private and state holdings (including the Russian-built Julfa-Tabriz Railway) except interests in the Caspian Sea Fisheries. The USSR did reserve "the right to advance its troops into (Iran) for the purpose of carrying out military operations necessary for its defense" should a third party threaten the frontiers of Russia and should Iran not be able to put a stop to such menace after having been once called upon to do so by the Soviet Union. A later exchange of notes defined the "third party" as partisans of the former (Czarist) regime or a foreign power seeking restoration of the regime.

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This phase ended in the fall of 1941 when the Allies found it strategically imperative to occupy Iran. From this time on, the USSR vigorously pursued the advantages offered by Allied occupation to prepare for peacetime domination of the northern provinces then under its jurisdiction, notwithstanding pledges incorporated in the Tripartite Treaty of 1942 (see page I-3) and in the Declaration of Tehran* to respect Iran's integrity and independence. Violation of treaty obligations occurred in both the political and economic spheres and seemed to reflect a program designed to undermine the position of the Iranian Government and the confidence of the Iranian people in their government.**

The USSR finally withdrew its troops from Iran, but only after (1) Iran had presented its case to the United Nations, and (2) Qavam had agreed to present Soviet oil demands to parliament for ratification. The failure of the USSR to give more than moral support to its puppet government in Azerbaijan when Central Government troops entered the province in December 1946 greatly diminished Soviet prestige in Iran and accounts, in large part, for Tehran's subsequent firmness toward Moscow.

Confronted by the aggressive attitude of the USSR during and following World War II, Iran at first followed a policy of procrastination, evasion, and compromise, while it sought external backing for resistance to Soviet aims. A swing toward Great Britain would have been the traditional move; but in view of the decline of British power and influence in the general

* Issued in December 1943, this declaration is an expression by the USSR, Great Britain, and the United States of the Allies' desire for Iranian economic welfare and political independence. The statement was made at the Big Three Conference in Tehran.

** In the political sphere the USSR made use of its troops to create an autonomous regime in Azerbaijan, to halt the movements of Iranian Army and Gendarmerie units, to protect meetings of pro-Soviet groups, and to expel "unfriendly" Iranian officials. Through diplomatic channels demands and threats were conveyed to the Iranian Government. Through propaganda the growth of pro-Soviet political and labor groups was fostered, and press attacks were carried out against the government by local papers supported by the USSR and by the Soviet press and radio services. In the economic field the USSR was equally active: it interfered with the shipment of foodstuffs within the country and with the movement of officials charged with economic functions, operated truck and bus services with rates below those set by the Iranian Government, forced Iran to accept unfair contracts covering the supply to the USSR of rice and locally manufactured arms and ammunition, seized large quantities of cattle, grain, and timber, refused to make payment on important sums owed to the Iranian Government, and interfered with customs inspection and collection.

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area, and continued suspicion of British intentions, Iran turned toward the United States and the United Nations. Following its appeal to the Security Council and the successful resolution of the Azerbaijan affair, Iran stiffened its stand against demands made by the USSR and received assurances of US support in protecting and maintaining the independence and sovereignty of the country. This turn toward the US has evoked a Soviet campaign of propaganda and diplomatic pressure directed against Iran and US activity in the area.

2. Present Relations With the USSR

The Soviet Union now views Iran as a possible base for an attack against the USSR and particularly against its vital Baku oil fields (which British troops occupied at the end of World War I); moreover, it recognizes the strategic and economic advantages of controlling land in the Persian Gulf area. Therefore, it will attempt to establish Soviet control over Iran, and is determined to prevent any other foreign power or interests from gaining predominance in the country, especially in the northern provinces. Iran, alert to Soviet activities, is attempting to resist penetration without provoking direct intervention by the USSR.

The insistence of the USSR on ratification of the oil agreement, its demand for air rights, its disregard for Iranian customs regulations, its subversive activities, and its opposition to US assistance in Iran are the most immediate problems confronting Iran in its relations with the Soviets.

The current Soviet oil proposal provides for the establishment of a joint company for fifty years, the stock to be 51% Soviet-owned and 49% Iranian-owned for the first 25 years and owned in equal parts for the second 25 years. Iran would permit the exploitation of the northern provinces, with the exception of a narrow strip of territory along the Turkish and Iraqi frontiers; and the USSR would contribute machinery and technicians and would pay for operations. Qavam agreed to bring these terms before parliament for approval within seven months after 4 April 1946 but was unable to do so because of the delay in electing the 15th Parliament.

The Iranians fear not only that they will fail to benefit financially from the operation of a mixed company (in view of their experience with the similarly constituted Soviet-Iranian fisheries), but also that the Soviets desire oil rights primarily to advance their political penetration of Iran, an inference reinforced by the opinion among oil experts that Iran's northern oil resources are not extensive and, in any event, cannot be economically developed at this time.

Since May 1946 Soviet officials have pressed for the creation of a joint air line which would have a monopoly on all flights in the northern provinces and in which the USSR would hold up to 50% of the stock. The Iranian Government has pointed to the conflict between this proposal and the terms of the Chicago Air Convention and has more recently stated a

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general policy which limits foreign financial participation in Iranian companies to a maximum of 25%. TWA owns a 10% interest in Iranian Airways, an Iranian corporation, and also has a managerial contract covering the operations of this company. In the spring of 1947, TWA threatened to withdraw from the operation of Iranian Airways because of non-payment of obligations by the company. Had not TWA agreed to continue operations for the time being the Iranian Government would have been placed in an awkward position, because of the desire of the Soviet Union to replace the United States as a participant in Iranian commercial aviation.

Following the cessation of hostilities in World War II, the USSR operated an illegal air service between Tabriz, Tehran, and Meshed, and between Tehran and Moscow. Supported by Soviet subsidies, this service cut into the revenues of Iranian Airways. The Iranian Government, fearing violent Soviet reaction, did not take effective steps to halt this illegal activity until July 1947, when, following several protests by the government, the Soviets agreed to cease operations.

Soviet violation of Iranian customs regulations began during the war and continued even after the evacuation of Red Army troops from Iran. In February 1947 the Iranian Government finally obtained a written commitment that the USSR would henceforth respect Iranian customs in the movement of Soviet goods into Iran. In spite of this agreement, the Soviet trade delegation continues to sell illegally imported sugar, textiles, and other items directly to Iranian merchants at greatly inflated prices.

Current Soviet political pressure follows the pattern established during World War II. Both the Foreign Office in Moscow and the Soviet Ambassador in Tehran have, by implication, threatened that the USSR would resort to forcible action if Iran failed to grant desired concessions. Moscow had complete control over the two Communist members of the three-man delegation sent by the World Federation of Trade Unions to investigate labor conditions in Iran in April 1947, and the report filed by the delegation denounced actions of the government and supported the pro-Soviet faction within the labor movement. The USSR continues to encourage dissident tribal elements in Azerbaijan. Propaganda hostile to the Iranian Government is broadcast over nearby Soviet radio stations by leaders of the erstwhile seditious Azerbaijan Government. Information programs beamed from Soviet stations, attacks broadcast from illegal transmitters within Iran, and inflammatory material printed in Iran's Leftist press are part of the Soviet campaign to discredit the present administration and to vilify the United States. Many Iranians now fear that unless the USSR is placated, it may take drastic action. Thus, the Iranian Government, unless convinced of the effective support of friendly powers, may tend to appease the USSR by granting the Soviets a larger share of activity in Iran or by reducing US influence.

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3. Significant Relations With Other Nations

a. Great Britain

To counterbalance the USSR, Iran has sought to maintain friendly relations with Great Britain despite a long-enduring suspicion of British imperialistic intentions in the area. British policy towards Iran is based on the strategic interests of Great Britain, involving political and economic commitments throughout the region of the Persian Gulf and vital lines of communication in the area. Specifically, Great Britain must protect the wells and installations of the Anglo-Iranian Oil Company* in southwestern Iran and must safeguard such other British interests in the country as banking, shipping, trade, and insurance investments.

Under the pressure of domestic difficulties, the British may be forced to participate less actively in Iranian affairs. They will, however, stand ready to protect their vital interests, as in July 1946 when, following serious labor troubles at the AIOC installations, British military forces in nearby Iraqi territory were strengthened notwithstanding Iran's protest that such action constituted interference in Iranian internal affairs. Moreover, the British supported Iranian efforts to secure the evacuation of Soviet troops from Iran early in 1946 and may be expected to intervene in the event of a Soviet movement into northern Iran. On Iranian issues of international importance, the British Government may be expected to coordinate its policy closely with that of the United States.

b. The United States

Iran's friendly attitude toward the United States, appreciably heightened by US support of Iran's appeal to the Security Council, is largely motivated by two factors. Most informed Iranians believe that the United States, a moderating influence on the historic Anglo-Russian rivalry in Iran, pursues a policy that serves the maintenance of Iran's integrity and independence. These Iranians also visualize the possibility of receiving direct support and assistance from the United States in the solution of current political and economic problems.

* The AIOC concession, first granted in 1901, displayed its value in 1908 when oil in large quantities was discovered 125 miles north of the head of the Persian Gulf. In 1914 the British Government purchased a controlling interest in the company. After World War I the Iranian Government became dissatisfied with the amount of revenue it was receiving from the profitable operations of the company. In 1932, after unsuccessful negotiations with the company, Riza Shah ordered the Iranian Government to cancel the concession. This drastic, unilateral step was followed by discussions resulting in a revised contract, which provided that the area covered by the concession would be reduced, that Iran would receive a larger guaranteed annual revenue, and that the concession would extend to 1993. Again in 1940 the Iranian Government was able to obtain an increase in the proportion of its revenues from AIOC operations.

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The Iranian Government has prepared an ambitious program of economic development and is seeking assurances of support from the United States for its proposed application for a \$250 million loan from the International Bank.

Most Iranians, with the exception of Leftist elements, welcome the presence of US Military Missions to the army and gendarmerie (see pages IV-2 and IV-3). The Iranian Government, urged by the Shah and military officials, has sought to obtain from the US military supplies (including combat weapons) for use in maintaining internal security. An Iranian purchasing commission arrived in the United States in April 1947 to select materiel which will cost an estimated \$20 million. It is believed that Parliament will approve the purchase contract, despite opposition by tribal leaders, Leftists, and those moderates who believe that the money should be allocated to public health and welfare projects.

Both the Shah and Qavam have expressed their desire for closer relations between Iran and the United States. As long as the two leaders believe that the US Government will support Iran's political and economic objectives, they will continue to maintain a friendly attitude toward the United States, although both Qavam and the Shah hope eventually to achieve complete freedom from all foreign influence.

c. Other States

In general, Iran maintains good relations with its neighbors and is bound to Turkey, Iraq, and Afghanistan by the Saadabad Pact.* Iranians show only passive friendship for Arabs in general; and while Iranian delegates will be inclined to vote with Moslem co-religionists in the United Nations, the government has displayed little interest in Palestine, the Arab League, or the plan for Greater Syria.

Iran claims sovereignty over Bahrein Island on the ground that Iran controlled the island during most of the eighteenth century. Bahrein is now an independent sheikdom having close treaty relations with Great Britain. At intervals since 1927 the Iranian Government and the local press have urged the validity of Iran's claim, and during the last few years Soviet-sponsored newspapers in Iran have lent vigorous support to this claim. There have been some recent indications that Iran may place the claim before the United Nations.

* Signed at Saadabad Palace in Tehran on 8 July 1937, this pact provides for the annual meeting of the countries' Foreign Ministers and for consultation in the event of external threat to any members. Only two meetings have been held. The pact was automatically renewed in 1942.

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d. International Organizations

Iran was an active participant in the foundation of the United Nations. The country is also a member of the International Civil Aviation Organization, the International Labor Organization, the International Bank for Reconstruction and Development, the International Monetary Fund, and the World Health Organization.

Iran was the first nation to submit an appeal to the Security Council of the United Nations. In January 1946 the Iranian representative requested the Security Council to investigate Soviet interference, through the media of its officials and armed forces, in the internal affairs of Iran. Consideration of the complaint took place at that time and again in March, but the evacuation of the forces of the USSR from Iran in May caused the Council to adjourn discussion of the question until a later, unspecified date. In December 1946 the Iranian Government reported to the United Nations on the state of affairs in Azerbaijan and announced its decision to send troops to supervise elections in that province. It requested that the Council remain seized of the original Iranian complaint.

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SECTION IVMILITARY SITUATION1. Genesis of Present Military Policies

The present military organization is the outgrowth of the policies of Riza Shah, who thought of the armed service not only as an instrument of personal power and for crushing the nomadic tribes but also as the symbol of a renascent, independent Iran, which would re-establish the country's former prestige. Prior to the advent of Riza Shah, the army had been little more than a rabble; but under his direction it was reorganized and trained and a large proportion of the national income was allocated to strengthening the military forces. Intermittent tribal disorders were successfully dealt with by the army, and the tribes were generally disarmed and pacified, or at least restrained. The Army was incapable, however, of offering effective resistance to the small British and Soviet forces which occupied the country in August 1941, although a few units commanded by junior and non-commissioned officers held out for a brief period. During the war the Iranian Army was neither inclined nor able to give military support to the Allies other than by helping to maintain internal stability, which was largely insured by the mere presence of Allied troops.

The formation and operation of the US Military Mission to the Iranian Army and the growing stature of the young Shah, who has become increasingly interested in military affairs, give some promise of a sound reorganization of Iran's armed forces, although problems of equipment, efficient leadership, and modern training methods remain to be solved. The Shah's determination to build an effective fighting force is widely supported by old-guard military leaders; and the army gained some temporary prestige in the recovery of Azerbaijan, although that campaign was hardly a test of army strength.

Iran's present military policy, essentially that developed prior to the war, is to build an army capable of (1) maintaining internal security, particularly by disarming and pacifying the tribes; and (2) furnishing Iran with a symbol of independence. The army also considers as a major objective the delaying of any superior invasion force until Iran could secure help from friendly nations (see IV-5).

2. Strength and Disposition of the Armed Forcesa. Army

The strength of the Iranian Army is currently placed at 113,000. This includes approximately 2,300 men and officers of the air forces and navy, both of which are part of the Iranian Army. Of the army troops, about 60% may be considered effective, 23% recruits, and 17% administrative personnel.

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The army is organized into ten infantry divisions and four independent brigades. The First and Second Infantry Divisions, totalling about 25,000 men, are stationed in Tehran and are considered the best troops in the service. The Third and Fourth Infantry Divisions have a combined strength of approximately 16,000 and are stationed in Azerbaijan. The remaining infantry divisions and the independent brigades are scattered in smaller units throughout various provinces.

Army strength is maintained by compulsory military service, males reaching the age of twenty-one being subject to conscription for two years' service. Widely abused, conscription is often evaded by the peasants, who give little support to the army, and by the tribesmen, who from time to time actively oppose it. One third of the total standing army at any period consists of recruits with less than six months' training. The army maintains a training school for officers, but its Staff College was recently discontinued on grounds of inefficiency and expense. In spite of the fact that a considerable number of the older officers were trained in European military academies, their lack of leadership is one of the greatest weaknesses in the military force.

Some improvement in the army has resulted from the efforts of the US Military Mission* to the Iranian Army, which was established as an advisory body in October 1942 at the request of the Iranian Government, and which has for its primary function the improvement of the army's supply and administrative services. Currently it is engaged in assisting with the selection and purchase of surplus military supplies from the United States.

b. Navy

The Iranian Navy, most of which was destroyed in a surprise attack by over-enthusiastic British forces in August 1941, is in the process of being re-established. Its current strength is estimated at 300 officers and men. Before the war, it had a few gunboats and patrol vessels, purchased from Italy; and its operations, limited to patrol activities in the Caspian Sea and in the Persian Gulf, were aimed at checking smuggling and gun-running to the tribes. Current plans call for the purchase of small ships from the British and for the division of the service into Navy South and Navy North, the former to be based at Khurramshahr at the head of the Persian Gulf and the latter at Pahlavi on the Caspian Sea. The navy is not likely to be any more than a small coast guard unit, incapable of mining strategic areas in the Persian Gulf or of offering resistance to an amphibious invasion along the shores of the Caspian.

* Headed by Brig. Gen. Robert W. Grow and composed of seventeen officers and seven enlisted men.

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c. Air Forces

Iran's air force personnel numbers about 2,000 officers and men, organized in three regiments (bomber, reconnaissance, and ground attack) and two battalions (training and maintenance). The number of aircraft is approximately 250, of which 175 are obsolete. The flying ability of the Iranians is comparatively good, but their knowledge of maintenance is rudimentary. The effectiveness of the air forces against any but the most primitive kind of defense would be negligible.

The air forces have recently acquired 34 Hurricanes (which will be a strong weapon against dissident tribes) and are planning to buy from the United States 30 Harvard type training planes. They are also exploring the possibility of purchasing 45 Douglas A-26C (Invader) attack planes, and have undertaken to make arrangements for training Iranian pilots and mechanics in the United States. Efforts to build up the air forces are due largely to the enthusiasm of the Shah.

d. Gendarmerie

The gendarmerie, separate from the army and from the police forces of the large towns, numbers approximately 24,300 (23,000 men and 1,300 officers). Current plans call for its gradual reduction to 15,000. Most of the gendarmerie are stationed in small groups at posts along the highways and in rural areas, particularly on the fringes of the tribal regions. The force is responsible for general security and aids in the collection of taxes.

Since August 1942, a US Military Mission* to the gendarmerie has assisted in improving methods of training, increasing supplies, purging the force of dishonest elements, and arranging for the purchase of adequate modern equipment, including a share of the surplus US military supplies which the Iranian Government is buying.

The gendarmes do much fighting against bandits and tribal groups, and have frequently proved more able in combat than the army itself. In time of emergency the gendarmerie may give direct support to the army.

3. War Potential

a. Manpower

Although Iranian law theoretically provides for a strong reserve by making every male liable to twenty-five years of military service (two on active duty, four in the Army Reserve, fourteen in the First General Reserve,

* Headed by Brig. Gen. H. Norman Schwarzkopf and composed of eight officers and five enlisted men.

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and five in the Supplementary Reserve), the organized reserve force would be of scant military value in war. Not only would faulty communications and inadequate transport facilities prevent it from being called together in time to meet a specific emergency, but the small number of Iranians willing to bear arms even against the most flagrant foreign aggression indicates that whatever force Iran could mobilize and equip would not be capable of repelling an attack.

Of Iran's estimated 3,800,000 males between the ages of 15 and 49, only about half may be regarded as available and fit for military service. The hardy tribes, already accustomed to bearing arms, might be made an important adjunct to Iran's military force were the Army's oppressive policy toward them modified. In the past the tribes have opposed conscription and have been reluctant to subject themselves to army discipline. At present, there is some indication that military leaders will seek their cooperation with a view toward securing their aid in the event of attack by the USSR.

b. Natural Resources

Iran normally has sufficient food supplies to maintain the armed forces; and the army, as a rule, stores considerable quantities of grain. The southwestern oil fields and the refinery at Abadan are an ample source of fuel supply, assuming in the event of war that the British, as allies, would continue operations. The Iranian Army, however, lacks adequate distribution and storage facilities for the oil.

c. Industry

Despite the fact that both privately owned plants and those owned by the Government are capable of supplying many basic needs of an army of 100,000 men and of equipping it for operations against a force not well provided with modern weapons, the country's industrial war production is dependent upon imports of machinery, machine tools, and unassembled mechanical equipment. The Sultanatabad Arsenal, just north of Tehran, produces telephone wire, shell cases, shells, and ammunition, and the Tehran Arsenal has a daily output of 250 rifles and can make castings and forgings for the repair of heavy equipment. A machine gun plant at Tehran has an annual capacity of 1,200 light and 300 heavy machine guns. The government-owned plant at Parchin, 30 miles east of Tehran, produces sulphuric acid, ether, and a daily total of two tons of explosives. Glycerine is made in another Tehran plant. The aircraft assembly plant at Tehran is now engaged in repairing aircraft parts; if equipped with proper machinery, it could turn out a limited number of smaller aircraft, including combat types. Textile mills at Isfahan manufacture blankets and cloth for uniforms, and shoes are made for the army, largely by hand, at Tehran. All automotive equipment and artillery and nearly all communications equipment must be imported.

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4. Military Intentions and Capabilities

a. Army Plans

The Iranian General Staff limits its military planning to the maintenance of internal security and to the defense of Iran's frontiers, particularly those which would be in the path of an invasion from the USSR. Soviet invasions could be readily launched through Azerbaijan, along the shores of the Caspian Sea, and through Khurasan, and they would probably be accompanied by parachute drops in the Tehran area and at other strategic points in the interior.

Although the Saadabad Pact (see page III-6) provides for consultation by the signatory powers in the event of an attack on any one of them, there is little possibility of mutual military support between Turkey, Iraq, Afghanistan, and Iran if one is attacked by the USSR. Iran's own strategy for defense against the USSR is based on plans to fight a delaying action pending arrival of assistance from the United States, Great Britain, or, in the future, the military forces of the United Nations.

The armed tribes have always been the most important internal problem. The army, which has long used the tribes as a proving ground for military tactics and as a source of plunder, has heretofore advocated a policy of enforced disarmament. Recently the Iranian Chief of Staff has sought the cooperation of the tribes, viewing them as a possible adjunct to the army in the event of an attack by the USSR. Such cooperation, however, cannot be secured unless the army changes its traditional tribal policy.

b. Military Capabilities

Because of poor morale, lack of trained personnel, inadequate modern equipment, and friction within the command, the Iranian Army would have great difficulty in carrying out specific military plans. It is unable to withstand aggression by a large power or a combination of small powers, and unless foreign military support were forthcoming within a few days, the army would quickly disintegrate. It is unable to maintain overall internal security, and a disarmament campaign against the tribes could be successful only in isolated areas; an extensive attack against the tribes would meet strong resistance and would succeed only in driving the tribesmen's arms underground to await use as soon as heavy concentrations of army troops were withdrawn. The army's low morale may be attributed to maladministration, insufficient and irregular remuneration, inadequate combat experience, lack of individual responsibility toward the national interests, and disregard on the part of officers for the welfare of the troops. Friction in command has developed from the Chief of Staff's practice of by-passing the Ministry of War and dealing directly with the Shah as commander-in-chief of the army. It is anticipated that purchase of surplus US military supplies may enable the army to keep internal security under favorable conditions but not to increase measurably its ability to counter substantial foreign aggression.

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SECTION VSTRATEGIC FACTORS AFFECTING UNITED STATES SECURITY1. The Importance of Iranian Independence

An independent Iran serves as an obstruction to Soviet expansion in the Middle East. If Iran came under Soviet domination, the independence of all other countries in the Middle East would be threatened, and the interests of the US would be jeopardized throughout the area. Specifically, if the USSR occupied Iran, it would: (a) gain control of the oil resources now exploited by the AIOC; (b) threaten the oil fields in nearby Iraq, Kuwait, Saudi Arabia, and Bahrein; (c) acquire additional bases for carrying on subversive activities or actual attacks against Turkey, Iraq, Afghanistan, and India; (d) control continental air routes crossing Iran, threaten those crossing Iraq, the Arabian Peninsula, and the Persian Gulf; and menace shipping in the Persian Gulf; (e) undermine the will of all Middle Eastern countries to resist aggression; and (f) acquire a base 800 miles nearer than any held at present to potential British-US lines of defense in Africa and the Indian Ocean area.

2. Factors Promoting Continued Independence

The principal factors favoring continuation of Iranian independence at the present time are the existence of an anti-Soviet bias in the government and among a large portion of the people, and the fact that Iran is receiving US aid and advice.

The reorganized cabinet of 21 June is further to the Right than its predecessor and will strengthen the anti-Soviet tendencies of the government, which continues to hold in check the Tudeh Party and pro-Soviet labor leaders. Moreover, the parliament elected in 1947 is composed almost wholly of moderates and conservatives. The Shah, the Army as a whole, influential tribal chiefs, landowners, and the clergy have consistently maintained an anti-Communist attitude; Iranians in general dislike the USSR and have a pronounced friendly feeling for the US.

The fact that the Shah and responsible leaders rely largely on the US for aid and advice is in itself evidence of Iran's willingness to continue resistance to Soviet pressure. The continued presence of the US military missions serves as a stabilizing influence; TWA's participation in Iranian Airways acts as a barrier to Soviet control of air operations. The US offer to sell Iran military materiel has nullified moves made by the USSR to furnish the needed supplies. The US Government's interest in a sound economic program, and its probable support of an Iranian application for an International Bank loan, will undoubtedly strengthen Iran's will to make economic improvements.

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Other favorable factors are the determination of the British to protect their strategic and commercial interests in Iran and adjacent areas, British support of US policy in Iran, and Iran's insistence on maintaining good relations with neighboring countries whose policies vis-a-vis the USSR and the US are similar to those of Iran.

3. Factors Working against Continued Independence

The chief external factors working against an independent Iran are: (a) Soviet propaganda, subversive activities, pressure, and threats; (b) the relative weakening of British influence in Iran and in the Middle East generally; and (c) the possibility that Great Britain would become more tolerant of Soviet demands for a dominant position in northern Iran if the British believed that their own interest in southern Iran would thereby be safeguarded. The principal internal considerations are: (a) the possibility that morale will be weakened by the growing fear among Iranians that the USSR will take forceful measures against them and that in such an event their Western friends would not be able to give them effective support; (b) the adverse effect upon internal stability brought about by the army's traditional belligerent attitude towards the tribes; (c) friction between the Shah and the Prime Minister and between the Ministry of War and the Chief of Staff; and (d) corruption and inefficiency in the administration of government.

Although Iran, with Western support, is determined to oppose Soviet aggression to the extent of its abilities, it is incapable of offering effective resistance to a military invasion. The topography of the country offers easy access from the USSR on both sides of the Caspian. In the event of attack by Soviet troops and in the absence of immediate and substantial reinforcement by the Western Powers, the Iranian Army would quickly disintegrate. Iran, therefore, because of its internal weaknesses and vulnerability to attack from the USSR, is the most insecure link in the chain of independent states--Iran, Turkey, and Afghanistan--along the Soviet border in the Middle East.

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SECTION VIPROBABLE FUTURE DEVELOPMENTS AFFECTING UNITED STATES SECURITY

The USSR will endeavor, as a prelude to complete domination of Iran, to secure control of Iranian territory adjacent to the Soviet Union and to install a government at Tehran which will be subservient to Moscow. To achieve these ends, the Soviets will seek a preferential position in the northern provinces of Iran by exerting pressure on the Iranian Government to ratify the Soviet-Iranian oil agreement, to grant special air rights, and to reject US assistance and advice. This pressure will take the form of propaganda directed largely against the Iranian Government and the US, subversive activities directed at undermining internal security and stability, and threats implying the use of force.

If the USSR fails to obtain the oil concession, it will intensify its propaganda and subversive efforts to replace the present Iranian Government with one friendly to Moscow. Failing to accomplish this purpose through peaceful measures, the USSR might eventually intervene by force, presenting the United Nations with a fait accompli on the pretext that Soviet security was jeopardized by Iranian instability.

The Soviets will further their efforts to create internal instability and to undermine the government by promoting and exploiting dissatisfaction and dissension among the tribes and by capitalizing on the failure of the government to implement promised social and economic reforms. The USSR will seek especially to create serious disturbances by encouraging Kurdish tribes in Azerbaijan to resist the army's efforts to disarm them. The proximity of these tribes to the USSR makes Soviet penetration and assistance easy. The Soviets will also work to promote dissatisfaction in the industrial areas and among the peasants, and will continue to harbor dissident Iranian elements in Soviet territory, training them for subversive operations in Iran.

Internal tension, making for instability, will also persist. The Iranian Army may be expected to resist efforts on the part of the government to adopt a reasonable tribal policy. It will probably continue to insist on unqualified and ruthless disarmament despite recent overtures for tribal cooperation. Tension between the Shah and Qavam will undoubtedly continue. The Shah will seek the removal of Qavam from the premiership as soon as he finds a qualified successor who will be more amenable to his wishes. If the Shah is unable to replace Qavam and persists in following the advice of the ambitious Chief of Staff Razmara, a military dictatorship may eventually result.

Administrative, social, and economic improvements necessary for internal stability will hardly be effected unless strongly encouraged and

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supported by the Western Powers. Moreover, the successful implementation of a program of economic development will depend on adequate foreign supervision because of Iranian inexperience and maladministration.

The Shah may be expected to remain friendly to the US and welcome its suggestions regarding resistance to Soviet pressure. He will, for the most part, follow US advice (especially if it is to his personal advantage) and will doubtless seek technical and financial assistance in attempting to develop Iran's economic program. Qavam, or any likely successor to the premiership, may be expected to do likewise. The ultimate strength of resistance to Soviet pressure, however, will depend to a considerable degree on the extent and effectiveness of US and British support, and Iranian confidence therein. It will also be affected by Iran's estimate of the prevailing balance of power between the United States and the USSR.

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APPENDIX ATOPOGRAPHY AND CLIMATE

Iran covers an area of about 628,000 square miles, approximately equalling in size that part of the United States east of the Mississippi River. Most of the country is an upland plateau, sloping from elevations of about 6,000 feet in the West to 1,500 feet in the East. Lofty mountain ranges stamp a great "V" on the country, with the apex of the "V" in the northwestern corner of the country and the area between the open ends covered by extensive salt deserts.

The lower arm of the "V" is represented by the Zagros range, which runs southeast and roughly parallels the Iraqi frontier and the shores of the Persian Gulf. The upper arm is composed of the Elburz range, which forms a great wall stretching westward toward Turkey and eastward toward Afghanistan. Within the two major systems are many connecting and isolated ranges whose axes run generally in a northwesterly-southeasterly direction. The region of Khuzistan, below the lower arm of the "V", is an extension of the low plains of Iraq. Above the upper arm of the "V" are the shores of the Caspian, which are below sea level and form a separate climatic zone.

The major mountain ranges have altitudes over 11,000 feet, with Demavend in the Elburz range rising to a height of 18,375 feet. The major and minor ranges run in roughly parallel lines, and between these lines are countless long mountain valleys and upland plains. Villages cluster along the rims of the broader valleys, where water is more plentiful, rather than along the center lines, where the roads run. The principal topographical obstacles to movement of ground forces are the Elburz and Zagros ranges and the extensive salt deserts, traversable in but few places. On the other hand, the open plains and valleys of the Iranian plateau would facilitate airborne operations.

Drainage is to the Caspian Sea, to Lake Urmia, to the Persian Gulf, and to the interior salt deserts which absorb much of the spring runoff from the mountain streams. The deserts of Iran stretch across the plateau from northwest to southeast for a distance of nearly 800 miles. Approximately one sixth of the land area of Iran is desert.

Precipitation over much of Iran is confined largely to the period from November to April; over most of the plateau the annual precipitation is less than 12 inches, or about that of the state of Nevada. The deserts and southeastern section of the country receive less than 4 inches, the northwest up to 30 inches, and the Caspian littoral at least 40 inches, distributed throughout the year.

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The plateau has mild winters and hot summers, while less temperate conditions prevail in the Persian Gulf area and in the interior deserts, where summer temperatures of over 120° F. are not infrequent. The Caspian littoral ranges from temperate to hot throughout the year, with an average humidity in winter of 90 and in summer of 75. The Caspian Sea area excluded, Iran has only about fifty days during the year which are overcast.

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APPENDIX BCOMMUNICATIONS FACILITIES1. Water Transport

The principal ports along the Iranian shore of the Persian Gulf are Abadan, Khurramshahr, Bandar Shahpur, Bushire, Jask, Bandar 'Abbas, and Lingeh. Only at Abadan, Khurramshahr, and Bandar Shahpur can ocean-going vessels dock, the other ports being open roadsteads. Abadan is the export point of Anglo-Iranian's oil production and has numerous loading facilities. Bandar Shahpur, the southern terminus of the Iranian State Railway, has two long wooden wharves with a total of 5 berths, while Khurramshahr, which is serviced by a new branch rail line from Ahwaz, has developed into the leading general cargo port of Iran. Of its seven berths, six were constructed by the United States during the recent war.

Navigation on the Caspian Sea is monopolized by Soviet ships. Iranian ports along the Caspian include Pahlevi, Nau Shahr, Babul Sar, Bandar-i-Gaz, and Bandar Shah, but these are not deep-water harbors and are hampered by silting and the gradual recession of the sea. Pahlevi and Bandar Shah are the leading ports, the latter being the northern terminus of the trans-Iranian railway.

The Karun River, the only navigable river in Iran, flows into the Shatt-al-Arab near the head of the Persian Gulf. Small steamers can go as far as Ahwaz, some 70 miles from the river's mouth, and smaller boats can navigate about 60 miles beyond the Ahwaz rapids.

2. Roads

Although Iran's road system is considered poor by Western standards, all important sections of the country are accessible by motor transport. Main highways connect Tehran with the larger towns of the provinces, with the principal ports (except Bandar Shahpur), and with various points on the frontiers of Iran. There are approximately 6,000 miles of main roads, of which about one sixth are surfaced with asphalt and the balance with gravel and broken stone suitable for heavy two-way traffic. Almost all the main roads cross high mountain passes, but maximum grades are generally limited to 8%. High passes may be closed by winter snows for periods of a week or more. There are also about 15,000 miles of partially improved and unimproved roads, which serve as through routes in less travelled areas and as feeders to the main highways. Some of these roads can also handle heavy two-way traffic, while others are narrow, or mere desert tracks, and are often impassable after spring rains.

During the recent war, British and US engineering units supervised the asphaltting of long stretches of the supply routes leading from the head of

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the Persian Gulf to the Caspian. Since the end of the war the Iranian Government has asphalted an additional 150 miles of road.

3. Railroads

In 1938 the single-track, standard-gauge trans-Iranian railway was put in operation from the Persian Gulf through Tehran to the Caspian Sea, a distance of 861 miles.

By 1938 work was under way on three other main lines. One line, which is to connect Tehran with Tabriz, was completed to Mianeh, about two thirds of the way to Tabriz, in 1942. Some grading has been done on the line between Mianeh and Tabriz. Another line branches off at Garmsar, a point sixty miles east of Tehran. By 1941 trains were running to Shahrud, nearly half way from Tehran to Meshed, and the roadbed is partially completed between Shahrud and Meshed.

A third line is projected from Qum, in a southeasterly direction, through Kashan and Yezd to Kerman. This roadbed is in place from Qum to Kashan and almost to Yezd. The line may eventually be extended through Bam and Zahidan to connect with the 5 ft. 6 in. gauge line which runs through Baluchistan to India proper.

An older line is the Russian-built single track, 5 ft. gauge line constructed in 1916 from Julfa, on the Soviet frontier, to Tabriz, with a branch line to Lake Urmia.

During the recent war the British, US, and Soviet forces took over the operation of different sections of the Iranian lines. Scores of locomotives and hundreds of cars were brought into the country, and some 3,000,000 long tons of supplies were delivered to the USSR by rail through the Persian corridor. The average net haul was increased from less than 1,000 tons per day to about 6,000 tons a day. The British built a new line from Khurramshahr to join the Trans-Iranian at Ahwaz and a spur from this line to Tanuma on the Shatt al-Arab opposite Basra, Iraq. The length of rail lines now in operation within Iran is 1,585 miles.

4. Air Lines

During World War II a large airfield was constructed by the Allies on the island of Abadan, and the two fields at Tehran were expanded. Tehran now serves as a terminus of international services operated by British Overseas Air Corporation, Swedish Airways, Air France, and non-scheduled flights of Skyways International (US). Pan American Airways is contemplating stops at Tehran on its Europe-to-India run. The USSR operated a passenger service across the northern part of the country between Tabriz, Tehran, and Meshed with scheduled flights between Tehran and Moscow, but this service was never legalized and was terminated in July 1947 following protests by the Iranian Government. An Iranian company, Iranian Airways,

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with the technical and financial cooperation of TWA, runs an extensive domestic service and conducts scheduled flights to Cairo via Baghdad and Basra. This company has also made flights to Paris in anticipation of scheduled service between Tehran, Paris, and London.

At present the field at Abadan, purchased by the Iranian Government from the Allies, is little used because through traffic between Europe, Africa, and Eastern Asia moves by way of Dhahran on the east coast of Arabia. The two fields at Tehran have concrete runways of adequate length for four-engine planes but lack adequate lighting and communication facilities; and at Zahidan a large field with surfaced runways was developed by the British during the war. Several smaller fields between Tehran and the head of the Persian Gulf have asphalted runways, and nearly every large town in the country has a landing field, usually with a packed earth or gravel surface.

5. Telegraph and Radio Communications

There are about 25,000 miles of telegraph lines in service within the country. Messages written either in the Latin alphabet or in Persian characters are transmitted over this network. Long-distance telephone service is available between Tehran and most parts of the country.

Broadcasting stations are located only at Tehran and Tabriz, except for the sending stations operated by the Iranian Army. The government station at Tehran maintains a daily short and standard-wave program service and also handles commercial traffic by means of directional antennas beamed at Europe and the US. The transmitting power is adequate to maintain constant contact under average atmospheric conditions.

The UK, US, and Soviet Embassies, and possibly other foreign representations, maintain their own radio communication facilities.

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APPENDIX CPOPULATION STATISTICS AND CHARACTERISTICS

Local sources place the population of Iran as high as 16,500,000 while some responsible foreign sources place it as low as 10,000,000. The total population of the country is probably about 14,000,000. Of this number about one fourth are tribal peoples, of whom possibly 1,500,000 belong to either semi-sedentary or nomadic tribes. Approximately one fifth of the people live in towns with more than 30,000 inhabitants. Tehran with about 600,000 people and Tabriz, Meshed, and Isfahan, each with a population of around 200,000, are the largest cities. The bulk of the people are tenant farmers living in at least 90,000 small villages of fifty or more houses. This mass of illiterate, hardworking peasants forms the backbone of the country and has always been aloof from the changing political scene. At least 80% of the population of Iran is illiterate. On the other hand, the country now claims more than 8,000 elementary schools with an enrollment of 264,000 pupils and 1,740 secondary schools with more than 26,000 students. A bill for universal compulsory education was passed in 1946. Hygienic conditions are poor, and disease is prevalent throughout the country.

The majority of the Iranian population derives from ancient Indo-European stock. Large groups of Arabs entered the country during and after the seventh century and settled in the Southwest and the East. Turkish or Turanian peoples moved into Iran in large numbers between the eleventh and fifteenth centuries.

Between one half and two thirds of the inhabitants speak Persian. Nearly one third of the population (living in Azerbaijan and in a wide wedge of land stretching from that province south towards Tehran) speak a Turkish dialect. Arabic is spoken by the Arab tribes inhabiting southwest Iran and by scattered Arab tribes in other parts of the country.

The more important of the nomadic tribes are the Kurd, Lur, Bakhtiari, Qashqai, Khamseh, Shahsavani, Arab, and Baluchi. The first five of these groups are found principally in the Zagros Mountain chain. Smaller nomadic tribes of importance are the Afshar, Inanlu, Baghdadi, Kuh Galu, and Mamassani. Certain tribes have veered towards a settled farming life, but the true nomads have a pastoral economy. Their flocks are the source of food and clothing and of cash income. The tribes migrate in spring from low-lying plains and valleys into the high mountain areas where sufficient grazing can be found throughout the summer, and in the fall they move back to the warmer regions. Cereal crops are sown on the plains and in the lower valleys, and members of the tribes remain behind to reap the harvest. Tribal boundaries are fairly well defined, and in recent years inter-tribal raiding and warfare have declined. The nomads represent the hardest, most aggressive and independent element of the Iranian population. They have always furnished the stiff backbone of the Persian armies, and several dynasties had their origin in tribal stock.

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The Kurds, Lurs, and Bakhtiari speak dialects which may be related to Old Persian or another Indo-European language; the Arab tribes, largely inhabiting the area at the head of the Persian Gulf, speak Arabic; the Qashqais and Shahsavans speak a Turkish dialect; the Khamseh speak Arabic and Turkish dialects; the Baluchis speak a dialect of Persian. The Turkomans, in northeastern Iran, speak a form of Turki.

Ninety percent of the Iranians are Moslems of the Shi'a sect in contrast to the Near East as a whole, where members of the Sunni sect predominate. Iran possesses relatively few minority groups, and racial or religious discrimination has never developed to a marked degree. In the northwest there are some 20,000 Nestorians, while the Armenians, numbering about 150,000, inhabit various sections of the country. Jews, numbering about 40,000, are settled in towns and in certain ancient farming communities. Parsis, largely concentrated at Yezd and Kerman, total 15,000. These Iranians hold to the national religion established by Zoroaster in the Achaemenid period.

Iran's rich cultural tradition may be regarded as the country's principal unifying force. Patriotism and national unity are expressed chiefly through pride in and appreciation for national culture, which has consistently demonstrated its resilience and ability to assimilate the foreign invader throughout Iranian history. In the modern political sense, however, Iran is scarcely a nation. Its lack of political cohesiveness may be attributed to the Iranians' highly developed sense of individualism, which has as its concomitants reluctance to accept individual responsibility for the welfare or future progress of the state, and failure to extend allegiance to the government or dynasty.

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APPENDIX DCHRONOLOGY OF IMPORTANT EVENTS

- 1813, 1828 Treaties of Gulistan and Turkomanchai, in which Iran ceded areas west of the Caspian Sea and north of the Araxes River to Russia.
- 1857 Treaty of Paris, concluding British-Iranian hostilities and incorporating Iran's acknowledgment of Afghan independence.
- 1880, 1893 Irano-Russian border east of the Caspian Sea fixed by treaties unfavorable to Iran.
- 1901 William D'Arcy granted oil concession in southwestern Iran, later to be developed into rich Anglo-Iranian Oil Company fields.
- 1906 Demands upon the Shah result in the granting of a Constitution and the founding of a National Assembly (Majlis).
- 1907 Anglo-Russian Agreement, in which the two Powers divided Iran into zones of British and Russian influence with a neutral zone between them.
- 1909 Civil war follows attempts of Mohammed Shah to abrogate the constitution; the Bakhtiari tribe, in support of constitutional government, occupies Tehran. Ahmad Shah takes throne.
- 1911, 1912 Mohammed Shah attempts to recover the throne, with Russian assistance; Russians demand expulsion of US financial mission; Russian troops occupy northern Iranian cities.
- 1914 Iran declares neutrality upon the outbreak of the War, but subsequently becomes the battleground for British, Turkish, and Russian troops.
- 1921 Riza Khan marches on Tehran with the Cossack Brigade and turns out the vacillating administration.
Treaty of Friendship between Iran and the Soviet Union signed.
- 1925 Riza Khan has himself declared Shah, thus replacing the Qajar rulers with his own "Pahlevi" dynasty.
- 1933 Anglo-Iranian Oil Company concession terms revised to Iran's advantage.

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- 1937 Amiranian Oil Company, a United States interest, is granted concession in northeastern Iran, later abandoned because of unfavorable economic and political conditions.
- Saadabad Pact, treaty of friendship between Iran, Iraq, Turkey, and Afghanistan, signed.
- 1938 Operation of Trans-Iranian Railway inaugurated.
- 1941 USSR and Great Britain simultaneously invade Iran on 25 August, and Iran capitulates four days later.
- Mohammed Riza Pahlevi named Shah on 16 September, succeeding his father, Riza Shah, who was sent into exile.
- 1942 Tripartite Treaty entered into by Iran, Great Britain, and the USSR in January.
- Tudeh Party formation announced on 30 January.
- US Military Missions to Iranian Army and Gendarmerie established, and in December US service troops arrive in Iran.
- 1943 Declaration of Tehran signed by Stalin, Churchill, and Roosevelt.
- 1944 Soviet Union demands oil-prospecting concession in northern Iran in September; concession refused.
- 1945 Iran makes \$10 million US surplus supply purchase, consisting principally of railroad equipment.
- 14th Parliament passes bill postponing elections for the 15th Parliament until six months after evacuation of foreign troops.
- Autonomous regime set up in Azerbaijan in December.
- US troops evacuate Iran by the end of the year.
- 1946
- 19 January Iran protests Soviet interference to the Security Council.
- 27 January Ahmad Qavam named Prime Minister.
- 5 February Kurdish Republic proclaimed at Mahabad.
- 18 February Qavam goes to Moscow to confer with Stalin and Molotov, but later announces that Iranian differences not solved.

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- 2 March Deadline for withdrawal of foreign troops from Iran under Tripartite Treaty of 1942.
- 18 March Iran renews appeal to the Security Council, protesting non-evacuation of Soviet troops.
- 4 April Agreement between Iran and the USSR regarding removal of Soviet troops, consideration of oil proposals, and settlement of Azerbaijan affair announced.
- 9 May Withdrawal of Soviet troops from Iran completed.
- 22 May Security Council adjourns discussion of Iranian question indefinitely.
- 30 June Qavam announces formation of his Democratic Party of Iran.
- 14 July Strike at Anglo-Iranian Oil Company called; results in clashes between Arabs and Tudeh Party members.
- 11 August Qashqai revolt flares up following inclusion of Tudeh members in cabinet; British garrisons in Iraq reinforced.
- 27 September Central Government begins negotiations with Qashqai after having averted uprising among the Bakhtiari by arresting tribal leaders.
- 18 October Qavam re-forms Cabinet without Tudeh members.
- 4 November Qavam issues instructions to complete preparations for parliamentary elections.
- 14 November US tentatively agrees to sale of US military supplies to Iran.
- 11 December Central Government troops enter Azerbaijan, and autonomous regimes collapse.

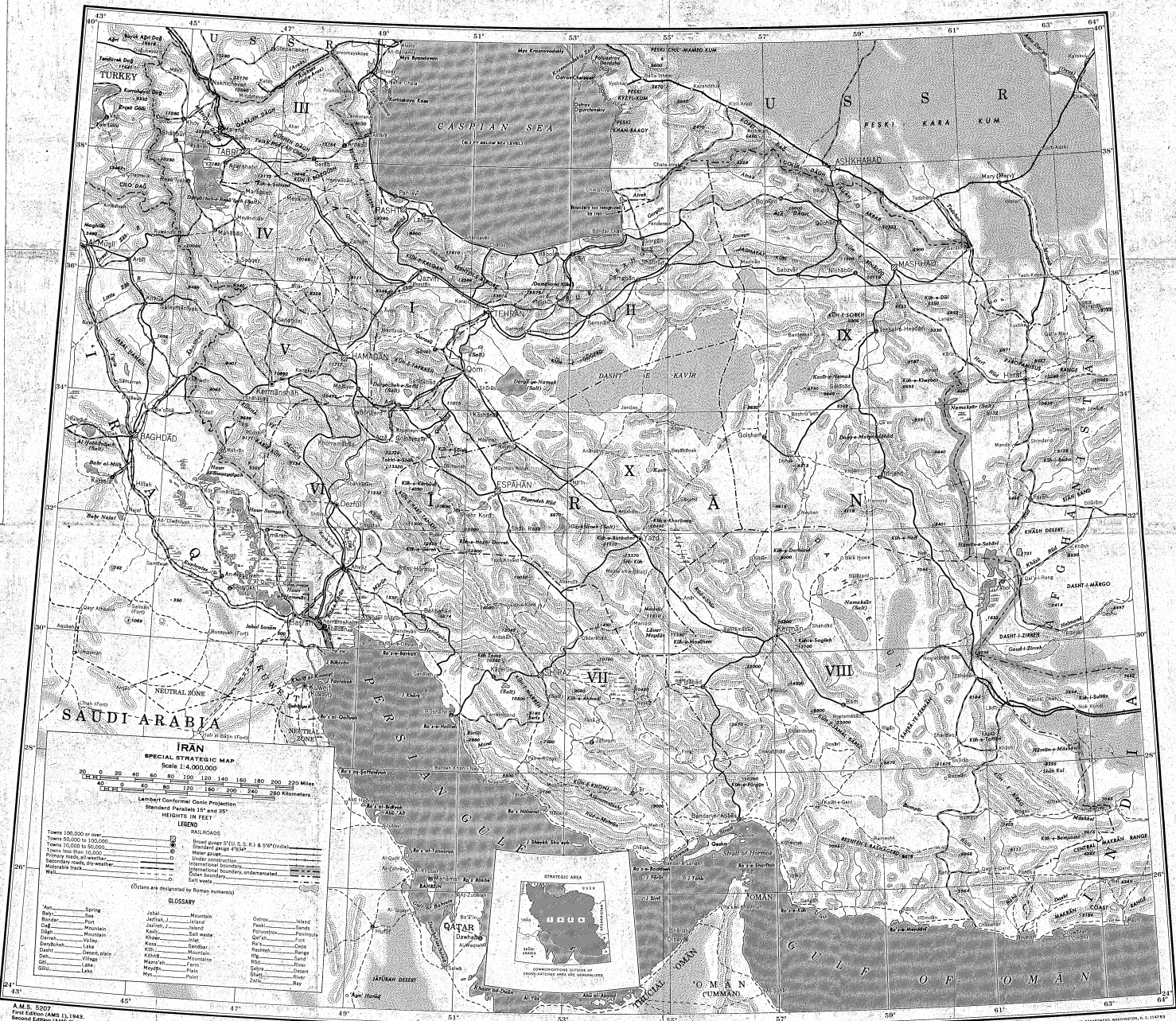
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- 21 June Qavam forms new Cabinet, increasing orientation toward West.
- 8 July Qavam suppresses opposition press as martial law re-established in Tehran.
- 17 July Parliament convenes.
- 19 July Soviets cease illegal air operations.

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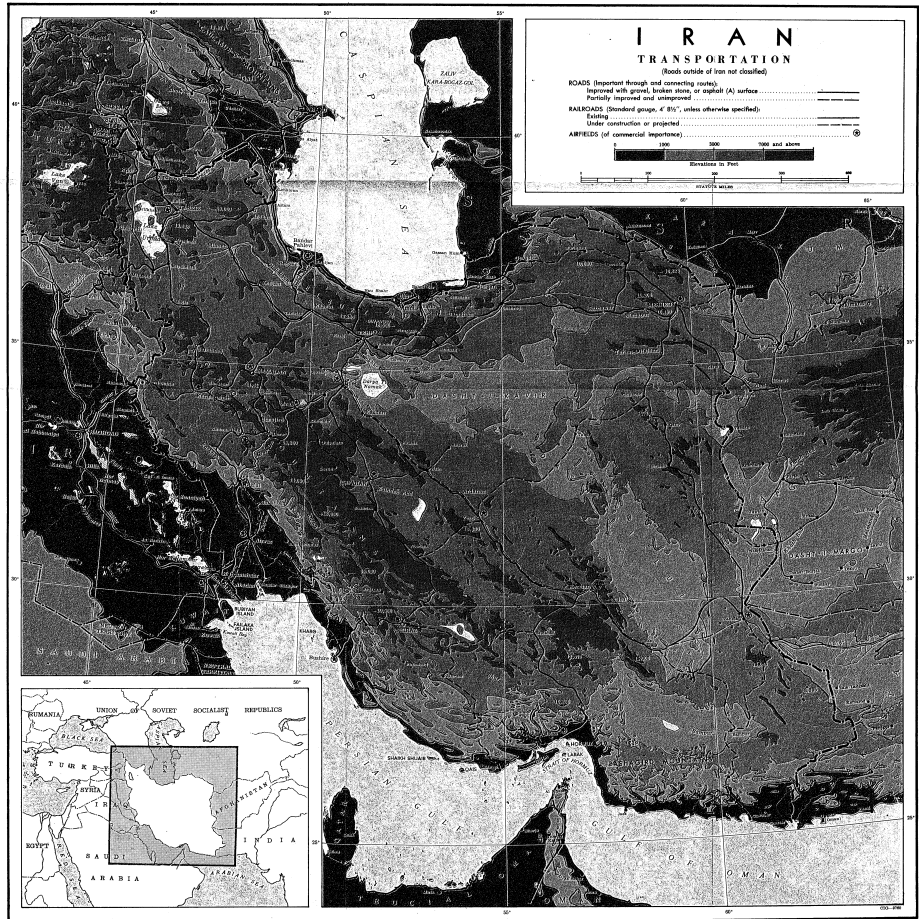
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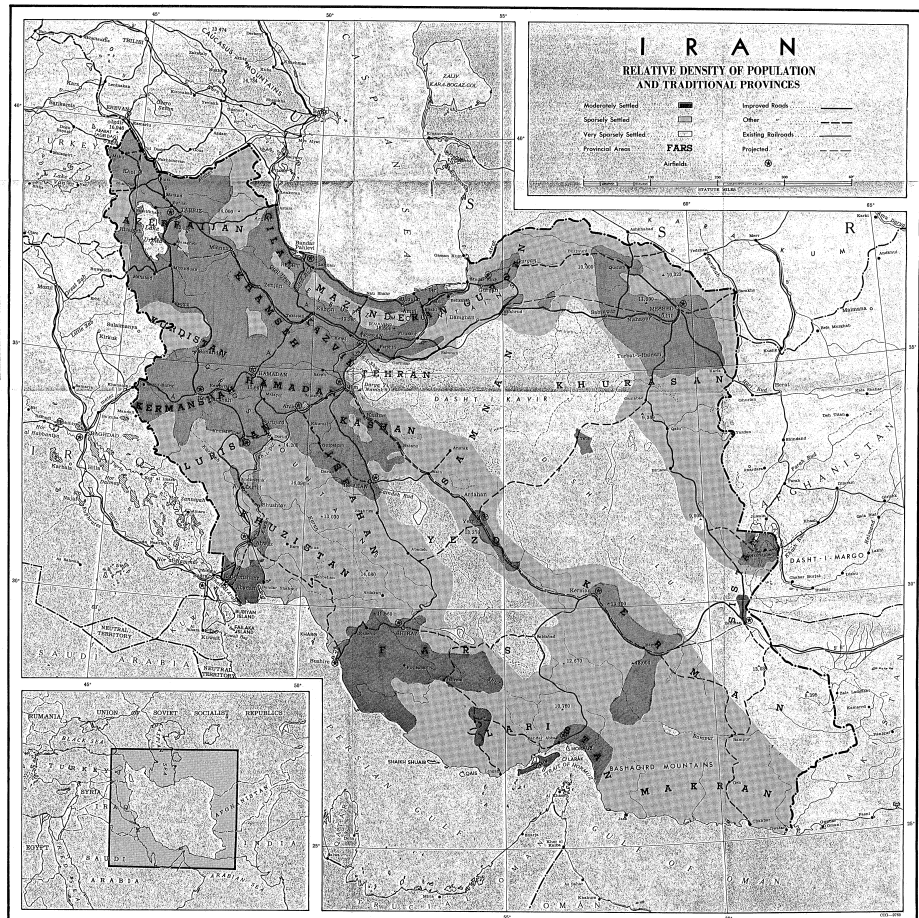
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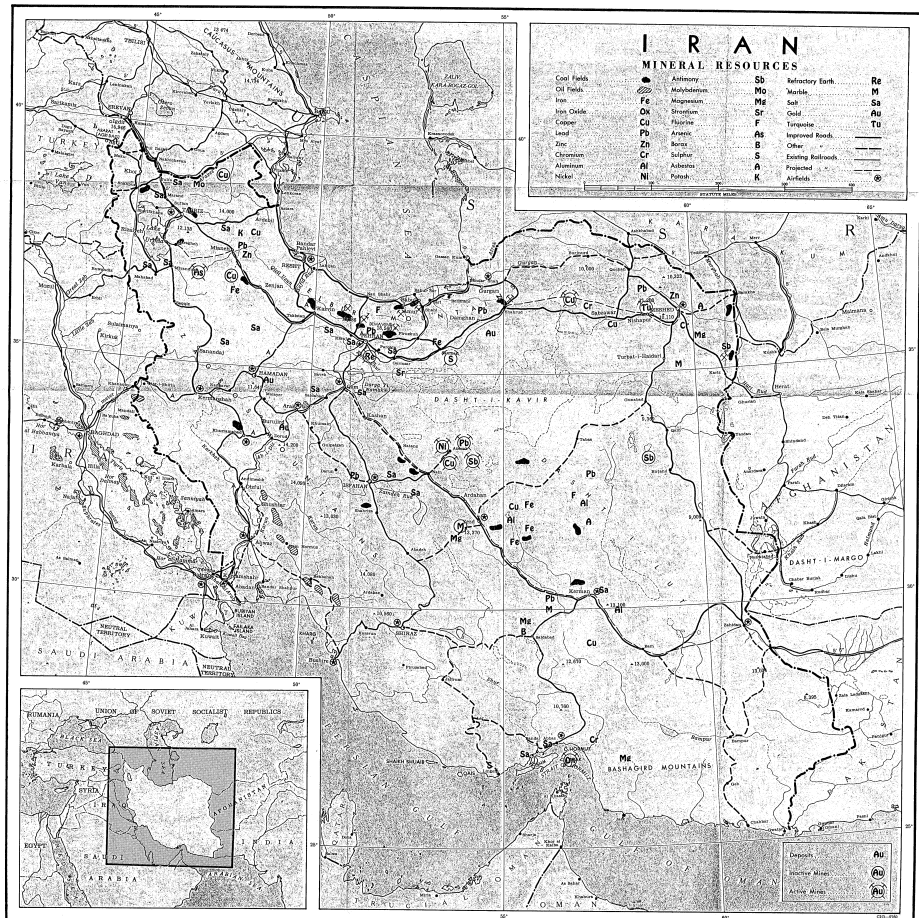


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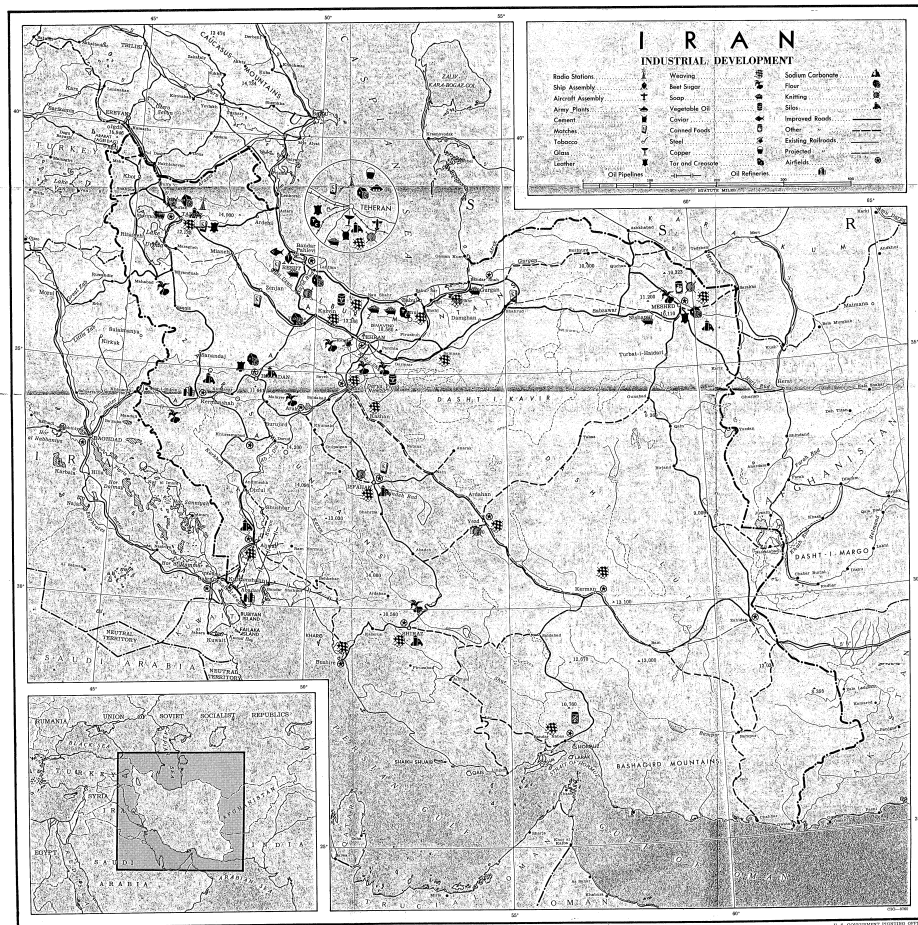
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NOTICE TO HOLDERS OF CIA REPORT ON IRAN (SR-6)

“Soviet Activities in Iran” consisting of a condensed text and three Annexes of source material is issued as Appendix “L” to SR-6 *Iran* (1 August 1947) with special reference to Section VI “Probable Future Developments Affecting United States Security.”

Holders of SR-6 are requested to insert this Appendix at the end of the report, following Appendix K—“Industrial Development” map, and to make appropriate note of this addendum in the Table of Contents.

For information on the validity and date of information contained in this Appendix, see note at bottom of page L-1.

The intelligence organizations of the Departments of State, Navy, and Air Force have concurred in this study; the Intelligence Division, Department of the Army, has concurred in the sections having military implications.

Central Intelligence Agency
7 April 1948

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APPENDIX L

SOVIET ACTIVITIES IN IRAN

1. IMPLEMENTATION OF SOVIET POLICY.*

The USSR, in its efforts to achieve its objective of dominating Iran, exploits geographic, economic, and population relationships between Iran and the Soviet Union, as well as Iranian national characteristics and weaknesses; it enlists the support of discontented Iranian groups, and penetrates local organizations; it violates or manipulates Irano-Soviet diplomatic instruments to its own advantage. These operations are directed and supported by numerous Soviet official agencies, which employ approximately 1,000 Soviet nationals and an undetermined number of covert agents.

The activities of the USSR in Iran during the war years served to promote the efforts of the Soviet Union to achieve a postwar position of ascendancy. Since the USSR continues to pursue the same aim and to utilize many of the same techniques adopted during 1941-1946, a brief survey of Soviet wartime activities will provide guidance in assessing the current operations of the USSR in Iran.

From September 1941 until May 1946 all northern Iran, encompassing one-fourth of the total area and one-half of the population of the country, was under Soviet military occupation. The USSR utilized its occupation forces to consolidate its political and economic position and to prepare the ground for a postwar position of ascendancy in much the same manner as Soviet troops have been employed more recently in Eastern Europe. The USSR not only established complete military and political control of northern Iran, which nullified the Iranian Government's authority in the area, but even extended its influence beyond the northern provinces and into the central government itself.

Soviet activity from 1941 through 1946 falls into two main categories. The first consists of activities resulting from the exigencies of war such as the maintenance of occupation troops and the operation of the northern section of the Allied supply line to the USSR. Although Soviet needs did not differ materially from those of British and US agencies in Iran, the means employed in filling such needs were greatly different and were designed to shift to the Iranian Government a great part of the cost of Soviet operations in Iran. Thus, housing and administrative buildings were requisitioned without remuneration to their owners; food agreements were imposed on the Iranian Government, giving the Soviet authorities virtual control of northern food

* The present report is based on material dating between 1944 and 1947 which is available to US intelligence agencies in Washington. Much of the information is fragmentary or obsolescent. While this material is sufficient to permit a general assessment of the nature and effectiveness of past Soviet operations, no critical estimate of the future course of Soviet activities is at present possible.

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surpluses and creating country-wide hardship; currency requirements were filled by profits from black market transactions and by refusal to pay customs fees on imports or taxes on goods in transit; the efficiency of the supply line was increased by road and railroad construction and maintenance financed by funds extracted from the Iranian Government.

These practices, which ceased for the most part with the termination of hostilities, served to lay the groundwork for the application of the techniques falling into the second category. These involved long-range aims which had no justification in war-time needs and were designed to promote the postwar ascendancy of the USSR in Iran. The Soviets, for instance, encouraged social and regional separatism with the aim of securing the fragmentation of Iran prior to its ultimate integration into the Soviet sphere of influence. Techniques included the promotion of civil disturbances, the formation of pro-Soviet labor organizations, and the organization of political groups, culminating in the establishment of two autonomous, interrelated regimes in northwest Iran, one (the Azerbaijan National Government) regional-political in character, the other (the Kurdish People's Republic) tribal-political.

A simultaneous and closely related activity was the policy of organizing and extending the influence of political groups favorable to the USSR, of which the Tudeh Party and its provincial offshoot, the Azerbaijan Democrats, received political, military, and financial support from the USSR. Because of the political immaturity of the Iranian people, the organizers largely disregarded Communist ideology, seeking instead to encourage pro-Soviet tendencies, together with verbal devotion to "progressive" and "democratic" principles. This policy served at the same time to promote the negative aims of discrediting and undermining the authority of the central government, which was already embarrassed and harassed by wartime economic difficulties, by the activities of the Soviet Army, and by intensive antigovernment propaganda of both Soviet and leftist Iranian origin.

Another major policy, which existed throughout the war but which was intensified with the cessation of hostilities, was the undermining of the British and US positions in Iran through virulent propaganda and diplomatic pressures and through such specific devices as labor agitation in the British oil concession area and obstructionism directed against the operations of the US advisory program.

While endeavoring to reduce the scope of US and British influence, the Soviet Government also devoted its efforts to securing pre-emptive and compensatory concessions and advantages of an economic and commercial nature. This category included demands for oil rights and a railroad concession; unauthorized operation of a Soviet air line in northern Iran; demands for an air monopoly in northern Iran; operation of a commercial truck transport service in open competition with that of the Iranian Government; forcing Soviet goods on the Iranian market; thus drawing Iran away from Western producers; and refusal to honor Soviet financial obligations, thereby depriving Iran of needed funds.

The acquisition of economic and commercial footholds was also designed to provide means of installing large numbers of Soviet personnel in Iran on a long-range basis,

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so as to provide successors to the Soviet troops who exercised such extensive influence on Iran. As a corollary, efforts were made to infiltrate Soviet and Soviet-trained agents for covert activities.

The withdrawal of Soviet troops in May 1946 served to reduce the range and effectiveness of Soviet operations, and the collapse of the autonomous regime in Azerbaijan in December 1946 was a serious setback to Soviet aims and prestige. Despite strenuous Iranian Government efforts to resist Soviet pressures and to halt Soviet illegal activities, however, the USSR continues to employ many of the long-range methods adopted during 1941-1946, with some variations in emphasis.

As a result of its loss of popular support in Azerbaijan in December 1946, the USSR will probably place greater reliance in the future on clandestine activities, with special reference to the continued infiltration of agents to expand the espionage network and greater employment of Soviet official agencies in Iran for covert activities. The USSR will probably endeavor to make greater use of its satellites, of whom Czechoslovakia, Poland, and Yugoslavia are officially represented in Tehran.

The USSR will intensify its efforts to undermine the present government. Although it will continue to support Iranian groups which are sympathetic to Soviet aims, it is unlikely to depend upon them in the future as primary instruments for establishing control over the Iranian Government. Instead, the Soviet Union is expected to lay greater emphasis on the exploitation of all elements of internal weakness in Iran, by capitalizing on the Iranian Government's failure to execute essential reforms and by manipulating influential individuals and population groups having differences with, or grievances against, the central government. The Soviets will make capital of the government's alleged inability to maintain internal security, with the implication that the security of the Soviet frontiers is thereby threatened. While attention is being called to this condition through propaganda, the Soviets may endeavor to give substance to such charges by instigating guerrilla warfare and civil disturbances, which in turn might provide an excuse for direct Soviet intervention.

Finally, in accordance with its policy elsewhere in the world, the USSR will intensify its efforts to discredit and reduce the US position and US prestige in Iran, and will continue its efforts to bring about the decline of the British position, giving special attention to promoting the eventual expropriation of the British oil concession by the Iranian Government.

2. DIPLOMATIC INSTRUMENTS USED IN IMPLEMENTING SOVIET OPERATIONS.*

Certain diplomatic agreements contain conditions preferential to the USSR or include outwardly equitable conditions which in practice have been manipulated to the advantage of the USSR. The Treaty of 1921 stipulates that Soviet troops may enter Iran if a third power attempts armed intervention in Iran or seeks to make Iran a base of operations against the USSR, provided the Iranian Government is unable to deal with the situation. Prior to the Anglo-Soviet invasion of Iran in 1941, this treaty was invoked by the USSR because of the presence in Iran of a large number of German

* Consult Annex I for further details.

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agents; it may be invoked in the future with less provocation. While the same treaty provides for withdrawal of Soviet troops as soon as "the danger has been removed," it is noteworthy that this commitment, as well as a further obligation to evacuate Iran contained in the Tri-Partite Treaty of 1942, was ignored by the Soviet Government in 1946. The USSR is now violating the treaties of 1921 and 1927 by harboring in Soviet territory groups whose object is to engage in hostile acts against Iran. (See Annex I-1 and I-2.)

The 1927 convention covering joint exploitation of the Caspian fisheries by the two countries has actually been operated through Soviet manipulation to the disadvantage of the Iranian Government. (See Annex III-3. *d.*)

The Irano-Soviet Financial Agreement of 18 March 1943, which was in part designed to facilitate the supply of Iranian currency to the USSR during the war, expired on 2 March 1946. On this date the USSR owed Iran an amount of gold equivalent to \$12,600,000, and in addition carried a credit of approximately \$8,400,000 to the account of the National Bank of Iran. Repeated Iranian requests for repayment (in accordance with the agreement) have been ignored by the USSR, which presumably intends to use this sum as a political and economic lever against Iran.

During the course of the last war, the Soviets forced Iran to sign unfavorable contracts and agreements for the supply of rice, canned goods, and small arms manufactured in government factories at Tehran, and thus gained control of Iranian food surpluses and an important part of its industrial capacity. They also proposed oil, air, and railroad agreements which, if accepted, would have given the Soviet Union a firm foothold in Iran. The USSR may be expected to press for similar agreements in the future.

3. CONDITIONS EXPLOITED IN IMPLEMENTATION OF SOVIET POLICY.

a. Geographical Proximity.

The geographical proximity of the two countries, with their long common frontiers, facilitates access to Iran from the USSR by both land and water.* At the same time, the geographical affinity between Iran's northern provinces and adjacent Soviet territory and the mountain barriers which isolate the Caspian provinces from the Iranian plateau favor the extension of Soviet influence in northern Iran.

b. Ethnic and Religious Relationships with Soviet Population Elements.

The ethnic, cultural, and linguistic identity of population elements in the frontier regions is an aid to Soviet operations. To the west of the Caspian, the Turkic-speaking peoples of Iranian Azerbaijan are related to those of the Azerbaijan SSR; to the east of the Caspian, the Turkomen tribesmen have links with Turkomen elements of the Turkomen SSR. These ethnic and cultural relations are strengthened by common participation in the Moslem faith. A significant element of the Armenian minority of Azerbaijan (as well as many Armenians elsewhere in Iran) is oriented toward the Armenian SSR, by virtue of common faith and culture and nationalistic

* The land frontiers total 900 miles in length; the Iranian-Caspian coast line is 400 miles long.

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sentiments toward the Armenian "homeland." The Soviet Government exploits these relationships by means of propaganda and cultural relations activities, designed to strengthen the bonds between the Soviet and Iranian peoples and to promote disaffection by emphasizing the contrasts between conditions in the Soviet Union and in Iran.

c. Dissident Population Elements.

The prevailing poverty of the mass of the Iranian people and the government's failure to implement essential reforms contribute to the dissidence among important sections of the population. Three discontented population groups, the tribes, minority elements, and labor, represent especially fertile fields for Soviet exploitation.*

The Iranian Government's traditional policy toward the tribes, which constitute approximately one-fourth of the estimated population of 14,000,000, has been one of division and repression rather than an effort to secure their loyalty to the central government or effect their assimilation into a national entity. Recently there have been indications of a modification of this policy. However, unless this new attitude persists, the tribes will continue to constitute a potent divisive force which can be exploited by the USSR against the central government to further the separatist tendencies inherent in the tribal patriarchal system, despite the fact that the majority of Iran's tribal groups are basically anti-Soviet.

Iran's minorities, particularly the 65,000 Armenians ** and the 20,000 to 30,000 Assyrians (Nestorian Christians), have been discriminated against by the government *** and disliked by the Moslem population, and are occasionally the victims of persecution and extortion at the hands of Iranian civil and military officials. Both the Armenians and the Assyrians have traditionally sought Russian protection against Moslem depredations and discriminatory tactics, and they are, therefore, susceptible to political exploitation and direct subversion by the Soviets.

Although Iran's industrial laboring class numbers only about 200,000 and, as an organized group, is relatively recent in origin, it is steadily becoming more articulate and more conscious of its potential power. It also suffers from governmental neglect and, unless it receives the benefits of tangible reforms, can be expected to become increasingly responsive to Soviet agitation and manipulation.

d. The Iranian National Character.

In the political sense, the individualism and egocentricity of the Iranian result in an absence of social consciousness and a lack of devotion to the national interest on the part of the mass of the population. Personal ambition and self-interest permeate all levels of Iranian officialdom. In the Iranian governmental structure, these deficiencies result in parliamentary disorganization and irresponsibility, lack of governmental

* The relatively small intellectual and student class, which includes a number of pro-Soviet individuals, is also exploited by the USSR.

** Other estimates reckon the Armenian minority as exceeding 100,000.

*** Iranian discrimination has been intensified by acts of disloyalty on the part of Armenian and Assyrian individuals and groups.

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continuity, absence of local self-government, and political factionalism in all branches of the central and provincial administration.

These factors are reflected in an attitude of inertia on the part of most of the population and the government toward critical internal conditions and the need for executing long overdue social and administrative reforms. Because of the lack of standards of public morality, moreover, public officials, press representatives, and influential private citizens are in many cases susceptible to outright subversion for personal profit.

In consequence, the Soviet Government is in a position to capitalize upon Iran's failure to cooperate in the national interest or to carry out reforms essential to internal stability; moreover, the USSR will have the opportunity to exploit the corruptibility of individuals and organs of public opinion.

e. Economic Dependence.

Although the closely interlocking barter agreements which tied Iran to the USSR prior to and during the last war no longer exist, northern Iran will probably continue to remain in a condition of relative economic dependence on the USSR by virtue of its geographical proximity and the absence of other profitable outlets for north Iranian produce, which is customarily exchanged for Soviet manufactured goods and processed foods. The USSR is in a position to exploit this situation by the imposition of commercial boycotts on northern Iran designed to wrest concessions from the Iranian Government, a procedure which it has employed in the past. The general factor of northern Iran's economic dependence on the USSR has a special significance because of the probability that the USSR will seek, as a prelude to ultimate domination of Iran, to detach northern areas from the control of the central government.

4. LOCAL CHANNELS EMPLOYED IN THE IMPLEMENTATION OF SOVIET OBJECTIVES.*

Specific local channels exist which the USSR uses assiduously to exploit the favorable conditions outlined in the preceding section. Since the activities within these channels are largely clandestine in character and since US intelligence coverage in Iran is inadequate, available data present only a fragmentary picture of current operations.

Certain political and labor organizations, originally developed under Soviet aegis, which have provided effective support to the USSR in the past, are still being utilized by the Soviet Union. These include the Tudeh Party, which is now being reconstituted throughout Iran; remnants of the Democratic Party of Azerbaijan, the Tudeh's provincial offshoot; remnants of the militant Central Committee of Trade Unions, identical with the Tudeh in policy and leadership. These organizations include trained Communist organizers and agitators, indoctrinated Iranians until recently in exile in the Soviet Union, leftist and liberal elements. Although these organizations have been subjected to restrictive and suppressive measures by the Iranian Government, residual elements are now active throughout Iran and in refuge in adjacent Soviet

* Consult Annex II for further details.

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territory, and may be expected to expand their activities. These elements for the most part have a revolutionary political orientation, are dissatisfied with the existing Government of Iran, and have received material benefits from their Soviet affiliations.

Although the tribes as a whole maintain an anti-Soviet attitude and the majority of influential Kurdish chieftains have reasserted their allegiance to the central government, disaffected elements of the Kurds and other tribes are still particularly susceptible to Soviet propaganda and are cooperating with Soviet agents. These include certain elements of the former Kurdish Republic and disaffected individuals and renegades among the Jalali, Herki, and Iraqi Barzanis in the northwest, as well as the Picheranlu in the northeast. The USSR is also endeavoring to exploit other dissident tribal groups, notably sections of the Arab tribes of southwestern Iran.

Certain minorities are also made use of by the Soviets in their operations. The USSR has enlisted the active support of White Russians in Iran as agents for various subversive purposes. The Armenians are utilized as a propaganda instrument in connection with Soviet charges of discriminatory treatment of minorities by the Iranian Government. Individual Armenians are employed as active agents. The current Soviet repatriation of Armenians to the USSR is expected to provide a supply of indoctrinated Armenians for reintroduction into Iran as Soviet agents and propagandists. While most Iranians are not receptive to Soviet ideology, some of Iran's intelligentsia and students consider Soviet ideology as a means of effecting improvements in Iran's social and governmental structure. They accordingly represent an instrument of informed public opinion for the dissemination of Soviet propaganda. Another small but influential group consists of certain members of the former Qajar dynasty, whose political aspirations are encouraged by the Soviets with a view to promoting regional movements and to undermining the authority of the present regime.

In accordance with the Soviet practice elsewhere of seeking to obtain control over local transportation systems, in Iran the Soviets are reported to be meeting with some success in infiltrating *muhajirs*,* Tudeh Party members, and other leftist elements into the ranks of the Iranian State Railways organization.

While the Iranian Army is, for the most part, loyal, it contains some pro-Soviet elements, including a few high-ranking officers. The Soviets are not only seeking to win additional sympathizers but are training young Iranians in their espionage school at Baku for penetration of the army. The USSR aims to obstruct the enactment of needed army reforms and to hamper the army's mission of maintaining internal security.

Soviet operations through these diverse channels are designed to discredit the Government of Iran; to undermine the confidence of the people in their leaders; to foment disturbances; to encourage separatist movements and other forces which might have a divisive and disruptive effect on Iran's tenuous unity; and to support political groups aiming to establish a government subservient to the Soviet Union. They serve, moreover, as an effective means of facilitating the official and covert operations of Soviet

* Consult Annex II-2 for discussion.

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agencies throughout all levels of Iranian society and throughout all sections of the country.

5. **SOVIET AGENCIES EMPLOYED IN THE IMPLEMENTATION OF SOVIET OBJECTIVES.***

The USSR maintains a large variety of official agencies in Iran engaged in diplomatic, commercial, cultural, and propaganda activities. The number of Soviet nationals employed (estimated at 1,000)** is considerably larger than official duties would require, and it has been established that they are also engaged in extraofficial activities, such as intelligence and espionage, labor agitation, political indoctrination and the dissemination of propaganda, unauthorized commercial transactions detrimental to Iranian interests, and covert political activities directed against the Iranian Government and against the position of the Western Powers in Iran.

Activities of a covert political nature are carried on by the Embassy and the thirteen consular establishments *** throughout Iran which dictate the policies and provide the directing force for the local channels through which Soviet agencies operate, such as the Tudeh Party and its affiliates, local labor elements, and disaffected population groups.

Little is known about the extraofficial activities of the four Soviet military attachés, whose operations are reportedly headed by an important civilian official engaged in espionage activities in Iran.

Agencies engaged in political indoctrination and the dissemination of pro-Soviet and anti-Western propaganda include the Soviet Embassy, VOKS (All-Union Society for Cultural Relations), the joint Irano-Soviet Cultural Relations Society, and Polish and Yugoslav cultural and informational organizations. Such agencies provide films, press releases, and radio programs, and subsidize certain sections of the Iranian press with money and newsprint. These agencies have sponsored Moslem and Christian religious missions to Iran from the USSR and promoted junkets to the USSR to win the support of selected Iranians. Soviet entertainment groups have in the past periodically toured Iranian provinces and gathered intelligence. Certain other agencies help in the dissemination of propaganda and function as covers for agents. These include Intourist (Soviet travel agency), Iransovtrans (Soviet commercial transport service) and Tass (Soviet press agency).

Several agencies maintain or seek to expand Soviet commercial and economic footholds in Iran, frequently in a manner prejudicial to Iranian interests, in contravention of Iranian law, or in open competition with Iranian Government agencies, e.g., the Irano-Soviet Fisheries Company, Torgpred (the Soviet Trade Delegation), and Iransovtrans. These and other commercial agencies, through their large staffs and through their branches or representatives in the provinces, are also in a position to engage in activities of a noncommercial nature, e.g., Sovkino (Soviet film distributing company),

* Consult Annex III for further details.

** In contrast, the US maintains a diplomatic and consular staff of some 30 US representatives; a US mission to the Iranian Army consisting of 24 officers and men; and a mission to the Iranian Gendarmerie of 14 officers and men. Thus US official personnel in Iran total less than 70.

*** In addition to an Embassy, the US maintains two consular posts; one at Tehran and one at Tabriz.

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Iransovnaft (Soviet petroleum marketing company), the Caspian Navigation Company, and Torgpred. Others, concerning whose activities little is known, may exist primarily to service various Soviet operations, e.g., the Russo-Iranian Bank and Gosstrakh (Soviet insurance agency).

Despite the fragmentary nature of available information, it is known that all Soviet agencies, regardless of their normal functions, engage in, or further Soviet covert activities.

6. EFFECTIVENESS OF IMPLEMENTATION OF SOVIET POLICY.

Although Soviet agencies have assiduously exploited the most likely Iranian channels in their operations, they have thus far failed to achieve any significant, enduring successes. The Soviets have unquestionably succeeded in building up groups of political supporters who will aid their future operations. These supporters, however, drawn chiefly from the minorities, isolated tribal elements, and leftist and labor groups, cannot be relied upon to act as an effective, disciplined organization comparable to the European Communist parties, and, since many are motivated by self-interest rather than by conviction, their cooperation will vary in accordance with the prevailing success of Soviet operations against the Iranian Government. With the exception of these groups, the USSR has failed to achieve political gains. The Iranian cabinet is composed entirely of conservatives and moderates, and but very few members of the recently elected *Majlis* are leftists.

In the cultural field, it is only among students and intelligentsia, a small group in Iran, that the Soviets have achieved some success. Attempts to build up pro-Soviet sentiments among the mass of Moslem Iranians have thus far failed. The extent to which dissidence has been encouraged by Soviet cultural activities is difficult to estimate, although it has probably been affected more profoundly by the short-sighted policies of the Iranian Government than by systematic Soviet efforts.

On the economic side, the USSR has likewise met with little success. The Soviets have achieved no long-term commercial arrangements comparable to the prewar system of interlocking barter agreements or to their current treaties with Eastern European countries, which might lead to Iran's economic dependence upon the USSR. Moreover, consistent endeavors since 1941 to exact economic or commercial concessions which would further long-range political objectives have met with stubborn resistance on the part of the Iranian Government.

A number of factors have contributed significantly to the failure of Soviet objectives.

a. USSR.

The period of the Soviet occupation of Iran, from September 1941 to May 1946, left a deep and unpleasant impression on nearly all classes of Iranian society. Large-scale requisitioning by the Red Army, the imposition of unfavorable commercial contracts and the employment of disadvantageous commercial techniques by Soviet officials, and the harsh diplomatic and propaganda pressures exerted against Iran have alienated a significant part of the population.

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Soviet tactics in Iran since the formal evacuation of troops have not contributed to the success of Soviet policy. Despite the withdrawal of the troops, the intensity of the diplomatic, propaganda, and military pressures (such as troop movements opposite the Iranian frontiers) which the Soviet Government has continued to exert against the Government of Iran have served to alienate influential Iranian officials and other informed Iranians who are well aware of the fate of countries which have yielded to Soviet pressures. The Soviets have repeatedly violated their diplomatic agreements with the Iranian Government and have shown no inclination to render disinterested assistance in the solution of Iran's wartime or postwar problems. Iranians have not failed to note the discrepancy between Soviet expressions of friendship in the cultural field and the consistently hostile tone of the Soviet press. Finally, the abuses carried on by Soviet-supported local groups, during their period of influence, were deeply resented by Iranians of all classes.

b. Iran.

As a result of these factors, Iranian determination to resist Soviet encroachment and domination has probably been greater during recent months than at any other time in the history of Soviet-Iranian relations.

Current measures to resist Soviet penetration include rejection of the Soviet-Iranian oil agreement; establishment of a security zone along the frontiers in which travel by foreigners is permitted only by written permission of the Iranian Government; the rounding up and arrest of elements suspected of subversive activities such as *muhajirs* and certain minority elements; and an effort to suppress the operations of Iran-sovtrans.

In addition to the Iranian Government's active policy of resistance to the USSR, there are certain factors inherent in Iran's social, religious, and political background which offer obstacles to the success of Soviet objectives.

The apathy generally prevalent among Iranians to theoretical political doctrines has acted as a barrier to Soviet efforts. Moreover, the majority of the population lives under controls which would deter it from engaging in any movement designed to change the existing social structure. Wealthy landowners maintain semifeudal economic control over the mass of the farming population and influence its voting in national elections. Among the settled and nomadic tribal groups, where the patriarchal system remains at the basis of the social structure, tribal leaders exercise comparable controls over almost one-fourth of the population.

Iran's parliamentary deputies, politicians, and government officials are drawn largely from the landholding and merchant classes, and accordingly their political attitude is rightist or conservative. As such, they constitute a strong anti-Soviet and anti-Communist force.

The country has been subjected many times throughout Iranian history to invasion, foreign pressure, and foreign control. The traditional Iranian devices of evasion and procrastination and of reliance upon the support of other powers, which served as successful weapons against foreign domination in the past, still perform a useful purpose as a defensive weapon against Soviet encroachment.

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c. *UK.*

While continuing its traditional support of conservative forces within Iran, the UK is encouraging the Iranian Government to undertake reforms necessary for internal stabilization, and thereby acts as a deterrent to Soviet expansion.

A relatively large force of diplomatic and consular officials and agents, many of whom are well trained through long experience in the country, is charged with the execution of British policy in Iran. Their operations are aided by an extensive program of cultural relations through the medium of the British Council and by important British commercial agencies in Iran. A number of key officials in the Iranian Government, as well as influential tribal leaders, actively cooperate in the execution of British policy and in the furtherance of British interests.

During the recent Irano-Soviet oil dispute, the UK was inclined to favor an Iranian policy of appeasing the USSR, as a possible means of protecting the British oil concession in southwestern Iran. However, the UK will cooperate actively with the US in countering Soviet pressures against Iran, particularly if these pressures threaten vital British interests, and thereby will continue to be a factor supporting Iran's integrity and independence.

d. *US.*

In recent years the Iranian Government has endeavored to use the US as an obstacle to Soviet expansion in Iran and as a guarantee against any possible Anglo-Soviet agreement for the partition of Iran into spheres of influence. The Iranian Government has accordingly solicited US diplomatic support and, with US encouragement, has succeeded in resisting Soviet pressures and demands.

Although US commercial interests in Iran are relatively limited, the US has major strategic and political interests in this country where present conditions constitute a potential threat to world peace. The US, therefore, encourages the Iranian Government to bolster its internal stability by means of appropriate reforms in order to render Iran less vulnerable to Soviet encroachment. To this end the US has supplied military missions to increase the efficiency of the Iranian Army and Gendarmerie, has agreed to provide surplus military equipment to Iran,* and views with favor Iran's interest in applying for a World Bank loan to be used in carrying out a long-range development program. In recent years, moreover, the US has consistently provided Iran with strong diplomatic support and has sponsored Iran's case against the USSR in the Security Council. At present, therefore, the US probably constitutes the most important single factor militating against the successful execution of Soviet policy in Iran.

Although these internal and external influences, which inspire Iran's policy of resistance to the USSR, have resulted thus far in vitiating the effect of Soviet activities and in frustrating Soviet aims, Iran's continued ability to maintain a strong and vigilant stand against future Soviet penetration and pressure would be adversely affected by the following developments:

* The Iranian parliament accepted the US arms credit offer on 17 February 1948.

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(1) Failure of current efforts by the Iranian Government and Army to gain the effective cooperation of Iranian tribal groups;

(2) Failure of the Iranian Government to improve the loyalty, morale, and efficiency of its security forces, and to obtain the equipment necessary for the maintenance of internal security;

(3) Continuing failure on the part of the Iranian Government to resolve internal political conflicts and to execute administrative reforms and economic-social development as means of reducing susceptibility to Soviet penetration;

(4) Failure of the Iranian Government to suppress the country's reactionary and antiforeign tendencies, which threaten to counteract Iran's limited democratic and material progress and to discourage acceptance of foreign aid;

(5) Psychological reverses arising from any reduction in US willingness to extend moral and material aid to Iran, or from any setback to the US in maintaining its balance of power with the USSR, either of which might result in Iran's adoption of an untenable policy of isolationism;

(6) Continued failure of Iranian and foreign intelligence agencies to secure adequate information concerning the activities of Soviet agencies and Soviet-supported local groups, in order to assess correctly the course of future Soviet efforts to dominate Iran.

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ANNEX I

DIPLOMATIC INSTRUMENTS EMPLOYED IN SOVIET OPERATIONS

Diplomatic documents which contain articles involving Soviet guarantees of, or interest in, the maintenance of Iran's territorial integrity, sovereignty, and independence include: (1) the Soviet-Iranian Treaty of Friendship of 26 February 1921; * (2) the Soviet-Iranian Treaty of Guaranty and Neutrality of 1 October 1927; * (3) the Tri-Partite Treaty of Alliance between the USSR, Great Britain, and Iran of 29 January 1942; and (4) the US-British-Soviet Declaration of Tehran of 1 December 1943.

1. THE SOVIET-IRANIAN TREATY OF FRIENDSHIP, 26 FEBRUARY 1921.

Articles 4, 5, 6, and 7 of the Treaty of Friendship of 1921 have current political significance.

Article 4

"Recognizing the right of each people to the free and unhindered settlement of its own political fate, each of the High Contracting Parties disclaims and will strictly refrain from interference in the internal affairs of the other Party."

Article 5

"Both the High Contracting Parties bind themselves:

"1. Not to permit the formation or existence on their territory of organizations or groups, under whatever name, or of separate individuals, who have made it their object to struggle against Persia or Russia, against the States federated with the latter, and similarly not to permit on their territory the recruiting or mobilization of persons for the armies or armed forces of such organizations.**

"2. To forbid those states or organizations, under whatever name, which make it their object to struggle against the other High Contracting Party, to bring into the territory or to take through the territory of each of the High Contracting Parties anything that may be used against the other High Contracting Party.**

"3. By all means at their disposal to prohibit the existence on their territory or on the territory of federated States of the troops or armed forces of any third State whatsoever, the presence of which would constitute a threat to the frontiers, interests, or security of the other High Contracting Party."

* Excerpts from this treaty are taken from J. Reeves Childs, *Perso-Russian Treaties and Notes of 1828-1931*.

** These clauses are applicable to the action of the USSR in harboring in Soviet territory Azerbaijan Democrats and Barzani Kurds, some of whom brought their arms into the USSR at the time of entry.

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"Both the High Contracting Parties are agreed that in case on the part of third countries there should be attempts by means of armed intervention to realize a rapacious policy on the territory of Persia or to turn the territory of Persia into a base for military action against the R.S.F.S.R., and if thereby danger should threaten the frontiers of the R.S.F.S.R. or its federated associates, and if the Persian Government after warning on the part of the Government of the R.S.F.S.R. shall prove to be itself not strong enough to prevent this danger, the Government of the R.S.F.S.R. shall have the right to send its troops into Persian territory in order to take necessary military measures in the interests of self-defense. When the danger has been removed the Government of the R.S.F.S.R. undertakes immediately to withdraw its troops beyond the frontiers of Persia."

Article 7

"In view of the fact that the provisions contained in Article 6 are applicable as regards security on the Caspian Sea, both the High Contracting Parties are agreed that should there be subjects of a third government who may make use of their presence in the Persian fleet for purposes unfriendly with regard to the R.S.F.S.R., the Government of the R.S.F.S.R. shall have the right to demand from the Government of Persia the removal of the said harmful elements."

A clarification of the above-quoted treaty is contained in a Soviet note of 12 December 1921 (appended to the treaty as Annex II) which reads in part:

". . . Articles 5 and 6 of our Treaty have only in view an active and armed assault upon Russia or its Allies amongst the Soviet Republics on the part of partisans of the overthrown regime and their proteges amongst foreign powers which, in addition to the extension of assistance to the enemies of the Workers' and Peasants' Republic, may under any pretense or with armed forces occupy a part of Persian territory and there organize a base for a direct attack with their own or with counterrevolutionary forces against the Soviet Republics or Russia itself."

2. **THE SOVIET-IRANIAN TREATY OF GUARANTY AND NEUTRALITY, 1 OCTOBER 1927.***Article 2*

"Each of the Contracting Parties agrees to refrain from attacks and from any aggressive act against the other party, or from introducing its armed forces on the territory of the other Party.

"If either of the Contracting Parties should be attacked by one or several third Powers, the other Contracting Party undertakes to maintain its neutrality during the entire period of hostilities; and the Party attacked may not violate this neutrality notwithstanding any strategical considerations, tactical or political, or benefits that might be derived therefrom."

Article 4

"According to the stipulations provided in Articles 4 and 5 of the Treaty of February 26, 1921, each Contracting Party, intending not to interfere in the internal affairs

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of the other Contracting Party and not to carry on propaganda or warfare against the government of the other Party, shall strictly forbid such activities to its employees in the territory of the other Party.

“If the subjects of one of the Contracting Parties in the territory of the other Party should engage in propaganda and warfare forbidden by the authorities of the other Party, the Government of this territory shall have the right to put an end to the activities of these citizens and to employ against them the established sanctions.

“By virtue of the aforementioned articles, moreover, both Parties agree not to admit on their territory the formation or activity of:

“(1) Organizations or groups under whatever name whose purpose is warfare against the government of the other Contracting Party, either by violence, insurrection, or stealth;

“(2) Organizations or groups arrogating to themselves the role of the government of the other Country or a part thereof whose purpose is also warfare against the government of the other Contracting Party by the above-mentioned methods, or an attempt against its peace, security, or territorial integrity.

“On the basis of the foregoing both Contracting Parties also agree to forbid in their territory recruiting, as well as the importation of armed forces, arms, ammunition, or any other war material, for the organizations mentioned above.”

3. THE TRI-PARTITE TREATY OF ALLIANCE BETWEEN THE USSR, GREAT BRITAIN, AND IRAN, 29 JANUARY 1942.

The Tri-Partite Treaty remained in force until the evacuation of UK and Soviet troops from Iran in 1946. During a period of more than four years the USSR repeatedly violated clauses of the treaty which bound it to “respect the territorial integrity, sovereignty, and political independence of Iran”; to “disturb as little as possible the administration and the security forces of Iran, the economic life of the country, the normal movements of the population, and the application of Iranian laws and regulations”; and to “safeguard the economic existence of the Iranian people against the privations and difficulties arising as a result of the present war.” Between 2 May 1945 and 23 November 1945, the Iranian Government sent twenty-four notes of protest to the Soviet Embassy at Tehran and eventually presented charges of violation in detail in *Documents submitted to the Security Council at its third meeting, 28 January 1946, by the delegate of Iran.*

4. THE US-BRITISH-SOVIET DECLARATION ON IRAN, TEHRAN, 1 DECEMBER 1943.

Paragraphs 4 and 5:

“With respect to the postwar period, the Governments of the United States, the USSR, and the United Kingdom are in accord with the Government of Iran that any economic problems confronting Iran at the close of hostilities should receive full consideration, along with those of other members of the United Nations, by conferences or international agencies held or created to deal with international economic matters.

“The Governments of the United States, the USSR, and the United Kingdom are at one with the Government of Iran in their desire for the maintenance of the inde-

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pendence, sovereignty, and territorial integrity of Iran. They count upon the participation of Iran, together with all other peace-loving nations, in the establishment of international peace, security, and prosperity after the war, in accordance with the principles of the Atlantic Charter, to which all four Governments have subscribed."

The USSR has flagrantly violated this agreement by threatening Iran's independence, by infringement of its sovereign rights, by attempts to violate its territorial integrity, and by unscrupulous economic exploitation. (See also above under 3.)

5. SOVIET-IRANIAN OIL AGREEMENTS.

Soviet efforts to acquire oil rights in Iran, which have up to the present been unsuccessful, date back to 1925 when the USSR took title, at third hand, to rights in a concession covering the Kavir Khurian region in the district of Samnan. Following the Allied occupation of Iran, the Soviet Ambassador in a letter to the Iranian Ministry of Foreign Affairs asserted the claim of the USSR to this concession. During the occupation, Soviet Army units were observed drilling for oil within the Kavir Khurian area and also near Shahi and Bandar Shah on the Caspian coast, but no information is available on the results of these drillings (MA Tehran R-36-46, 4 March 1946).

In October and November 1944, when US and UK oil companies were attempting to obtain concession rights in southeastern Iran, the USSR seized the occasion to press for a concession in the north. A special mission, headed by S. I. Kavtaradze, Soviet Vice Commissar for Foreign Affairs, came to Tehran and presented a proposal covering exclusive oil and mineral exploration rights in an area of 200,000 square miles in northern Iran. The decision taken at that time in the *Majlis* to grant no foreign concessions of any kind until after the end of the war drew bitter comments from Soviet officials and the press of the USSR.

On 4 April 1946 Prime Minister Qavam exchanged notes with the Soviet Ambassador at Tehran which provided for the formation of a joint Iranian-Soviet oil company. A draft agreement was to be submitted to the *Majlis* for ratification within seven months from 24 March 1946. During 1947, the USSR displayed considerable irritation over the delay in ratification of the agreement and dispatched bitter notes of protest to Prime Minister Qavam and added oral threats. Finally, on 22 October 1947, the *Majlis* by an overwhelming majority passed a resolution which invalidated the draft agreement, barred the granting of any concessions to foreign nations or interests, and envisaged exploitation of any northern oil reserves by Iran, which can enter into negotiations for the sale of this oil to the USSR.

The USSR may at any time press its claim to the Kavir Khurian region or may renew its attempts to gain an oil concession elsewhere in northern Iran.

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ANNEX II

LOCAL CHANNELS EMPLOYED IN THE IMPLEMENTATION OF SOVIET OBJECTIVES

1. THE TUDEH PARTY.

The Tudeh or "Masses" Party, which enjoyed unquestioned Soviet support and guidance and served as the Soviets' principal Iranian political instrumentality is currently displaying a resurgence of activity in all important towns of Iran.

A general account of this party, compiled from unrestricted sources, is given by G. Lenczowski, "The Communist Movement in Iran," in *The Middle East Journal*, I, 1 (January 1947), pp. 29-45.

In 1937, during the reign of Riza Shah, fifty-three persons accused of being Communists were given long terms of imprisonment. Released after the Allied occupation of Iran, they formed the nucleus of the Tudeh Party. Organized early in 1942, the party soon became very active. Its leaders included two types of individuals: those who were sincerely devoted to the improvement of conditions within Iran, and those who were sympathetic to Communism and who would welcome Soviet domination of Iran (MA Tehran, R-35-45, 31 March '45). Not only did the latter group become the stronger, but the leaders realized that the party could make little progress unaided. Thus, the Tudeh Party accepted financial aid, support, and direct guidance from officials and agents of the USSR. In 1945 the membership of the party had reached an estimated 70,000 (MA Teh. R-89-45, 27 Aug. '45); a relatively high figure for Iranian political organizations.

Party agitation stressed the familiar communistic themes, and practical action predominated over theoretical education. The party spoke out against low standards of living, low wages in industry, the oppression of peasant farmers, the concentration of wealth and power in the hands of a few, and the "corrupt and reactionary" government. Party speakers and publications pictured the USSR as the sincere friend of Iran.

In the *Majlis* eight Tudeh deputies carried out disruptive tactics in attempting to monopolize debate, insulting other members and government officials, and delaying action on legislation. Upon occasion, following Soviet instructions, the party was prepared to sacrifice national interests. Thus, in 1944 the party held a number of demonstrations in favor of Iran's granting an oil concession to the USSR. One such demonstration was in Parliament Square at Tehran (OSS A-43653, 1 Nov. '44) and others were at Arak, Isfahan, Meshed, Resht, Tabriz, Ardebil, and Maku (MA Teh. R-89-45, 27 Aug. '45).

Specific evidence of direct Soviet support of the Tudeh Party is not lacking. Subjects of the Soviet Republic of Azerbaijan led a Tudeh demonstration at Tabriz (OSS A-60742, 28 June '45). The Soviet consul at Zabul aided in the formation of a branch of the Tudeh Party there and attempted to establish the party at Zahidan (Teh. 1100, 10

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Aug. '46). The party was presented with forty-nine military cars and trucks by Iransovtrans (SSU A-69310, 16 May '46). Tudeh Party meetings were protected by Soviet troops, and party members were transported to demonstrations in Soviet vehicles.

The power and influence of the party declined in the fall and winter of 1946 following repressive action by the central government. In early 1947 the eleven-man Central Committee resigned and was replaced by a Temporary Committee of seven members. Its members were Dr. Riza Radmanesh, Dr. Feridun Keshavarz, Khalil Maleki, Ehsan Tabari, Dr. Yazdi, Nushin, and Frutan. Of this group only Drs. Radmanesh and Keshavarz had been on the earlier committee. This action and the accompanying reorganization were represented as a "nationalization" of the party, and the party claimed that extreme and irresponsible elements had been dismissed; in actual fact, however, many sincere liberals left the party while the known Communist sympathizers remained (MA Teh. R-10-47, 20 Jan. '47).

In the summer of 1947 Tudeh activity was resumed on a considerable scale. Prime Minister Qavam appeared concerned and invited the Tudeh leaders to a meeting (SO 7164, 18 June '47). Members were enrolled in large numbers at Abadan and its vicinity (SO 8250, 26 Sept. '47), and the Iranian military intelligence claimed that there were 179 Tudeh Party cells in Abadan (Basra 21, 16 Sept. '47); security officers of the Anglo-Iranian Oil Company estimated that there were about 3,000 Tudeh Party members in Abadan (MA Teh. R-116-47, 7 Oct. '47). Members were advocating the formation of a joint Irano-Soviet oil company in northern Iran. Khurramshahr was the center from which Communist literature was distributed to Basra. Tudeh leaders at Ahwaz visited some of the oil producing fields (Basra 21, Sept. '47).

Farther north, the Tudeh Party was revived at Kermanshah under the auspices of VOKS (CIA 35474, 28 Aug. '47). At Tehran heads of the party, including Dr. Radmanesh, Dr. Yazdi, Dr. Jowdat, and Keshavarz, met with the Soviet Ambassador (SO 8180, 26 Aug. '47). Also at Tehran the Javanan-i-Tudeh, or "Tudeh Youth," was headed by Dr. Radmanesh and had a membership of about 800. Group meetings, held under the guise of studying Russian, were taught Communist doctrines (SO 8162, 6 Aug. '47). Each group consists ideally of 25 members, and the age of the members is between 15 and 25 years (Iraq Command Intelligence Review #23, 14 Aug. '47).*

Throughout 1947, Tudeh Party newspapers and affiliated leftist organs (see III-5, c) have continued to appear, despite occasional suppression by the Iranian Government. These papers, which receive subsidies and newsprint from Soviet authorities, present a consistently leftist and pro-Soviet point of view.

2. DEMOCRATIC PARTY OF AZERBAIJAN (DPA).

Remnants of the DPA, which had active Soviet support in the establishment of the autonomous regime in Azerbaijan, still exist within Iran and in adjacent Soviet territory.

* Despite reports of a split in the Tudeh Party by the secession of a faction called the Iranian Tudeh Socialist Party under the leadership of Khalil Maleki, Anvar Khamei, Ismail Zenjani, and Zavesh (Teh. desp. 597, 19 Jan '48), the return of this faction to the Tudeh was publicly announced in January (MA Teh. M-127, 30 Jan. '48).

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General and specific examples of Soviet participation in the autonomous regime established by this party are contained in the following material: ORE 19, *Developments in the Azerbaijan Meeting, 28 January 1946, by the delegate of Iran*; George Lenczowski, "The Communist Movement in Iran," *The Middle East Journal*, I, 1 (January 1947), pp. 41-45; OSS A-48470, 19 Jan. '45; and OSS A-56368, 5 June '45; MID, *Azerbaijan, a case history of Soviet infiltration*, 23 Jan. 1946.

This thorough participation by the USSR included such activity as the use of Soviet troops to prevent the movement of Iranian Army and Gendarmerie units within Azerbaijan; the use of Soviet troops to halt Iranian forces dispatched from Tehran toward Azerbaijan; direct interference with the work of Iranian officials and the issuance of orders for their departure from assigned posts; the presence of Soviet officers and soldiers and of nationals of Soviet Azerbaijan in the ranks of the DPA (SSU A-64531, 30 Jan. '46); the infiltration of large numbers of Soviet subjects (estimated at over 10,000); the furnishing of arms, printing presses, a broadcasting station originally sent to the USSR under lend-lease (Teh. 60, 21 Jan. '47), and other material to the DPA; the presence of two Soviet generals at the meeting in Tabriz when a treaty between the DPA and the Kurdish Republic was signed (SSU A-67635, 6 May '46); the refusal to allow nationals of other powers to visit Tabriz; and repeated warnings to the Central Government of Iran not to use armed force against the Azerbaijan regime.

In spite of the fact that the export of foodstuffs from the province was forbidden by the DPA, Soviet officials made a persistent attempt to strip the area. At least 60,000 tons of grain and thousands of head of cattle were rounded up by Soviet Trade Delegation agents for dispatch to the USSR (Tabriz, unnumbered, 21 Aug. '47). The Tabriz-Julfa railway line was used for the shipment of much of this material (MA Teh. R-216-46, Aug. '46). At Tabriz a Soviet canning factory was set up to process mutton and beef for the USSR. Soviet trade officials attempted to continue the movement of cattle across the frontier even after the collapse of the DPA regime (Teh. 264, 15 Jan. '47). At Astara merchandise collected in the looting of the entire bazaar was trucked across the adjacent Soviet frontier by DPA army members (Teh. 264, 15 Jan. '47).

The supply of arms by the USSR to the DPA is a separate subject in itself. In an effort to bolster the DPA regime, on the night of 10 December 1946, the Soviets sent ten truckloads of small arms and ammunition from Julfa to Tabriz (MA Teh. R-265-46, 16 Dec. '46). Within a few days after the occupation of Azerbaijan by central government forces, some 20,000 rifles had been collected and it was believed that the number would reach 100,000. This material included arms taken by the Soviet forces from the Iranian Army in 1941; rifles made during the war for the USSR at the Iranian Government factory in Tehran; 1,000 American Colt automatic pistols and 500 American tommy guns supplied to the USSR under lend-lease; and 1,000 German machine guns and Belgian pistols which could only have come from the USSR (MA Teh. R-265-46, 16 Dec. '46; Teh. 1, 2 Jan. '47; and MA Teh. M 3006, 7 Jan. '47).

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After the collapse of the DPA on 11 December 1946, the Soviet vice consul at Tabriz went to the frontier bridge at Julfa and gave instructions to the Soviet officials and guards stationed there. That day and the next the bridge was opened for the passage into the USSR of 110 trucks and at least 2,000 DPA leaders, officials, army members, partisans, and *muhajirs*.^{*} The number included Pischevari, Prime Minister of the regime; General Ghulam Yahya, Minister of War; Elhami, Minister of Finance; General Panahian, Chief of Staff in the DPA army and formerly a colonel in the Iranian military school at Tehran; and Padegan, assistant head of the Tudeh Party at Tabriz and later secretary-general of the DPA and vice president of its parliament (MA Teh. R-21-47, 6 Feb. '47; MA Teh. R-265, 16 Dec. '46).

The bulk of the Ardabil DPA garrison marched in formation into the USSR. The DPA members of Maku crossed into the USSR at Pul Dasht. At Astara on 15 December, approximately 800 DPA soldiers who had previously crossed into the USSR returned under "General" Danishian and entrenched themselves south of the town. Later in the day they fought against the arriving Iranian forces. On the morning of the 16th they had withdrawn to Astara and under the direction of the Soviet trade agent were looting the bazaar and trucking the loot across the frontier. Shops were set afire and nineteen Soviet soldiers and an officer crossed into Iran under the pretext of putting out the fire. At noon the Iranian forces moved into the town and, after stiff fighting, the DPA members crossed over into the USSR (MA Teh. R-21-47, 6 Feb. '47). General Danishian had been commander of the DPA garrison at Zenjan and later Under-Secretary of the Ministry of War in the Azerbaijan regime. Most of the DPA members who fled to Bandar Pahlevi were arrested, but some escaped to the USSR in boats of the Caspian Fisheries Company (MA Teh. R-24-47, 11 Feb. '47).

On the night of 23 December, Pischevari, speaking from an unidentified Soviet radio station, appealed to the DPA not to give up the fight (Teh. 1624, 24 Dec. '46).

Early in January 1947 the Iranian Minister of Propaganda informed the press that the Iranian Government had made a request of the USSR for the extradition of Pischevari and other DPA leaders (Teh. 10, 7 Jan. '47). The Soviet Embassy was reported to have informed Prime Minister Qavam that Pischevari and his groups could not be located (Teh. 89, Feb. '47). However, in October 1947 Pischevari and Yahya were reported to be in the vicinity of Baku (MA Teh. M 71, 21 Oct. '47) while some 2,000 former DPA members were near Astara (MA Teh. M 39, 14 Aug. '47).

In spite of the collapse of the autonomous regime a considerable number of *muhajirs* remained in Azerbaijan (Tabriz, 18 Aug. '47) and several thousand more are believed to have entered the province in recent months (Teh. 929, 25 Sept. '47).

^{*} *Muhajir*: an Arabic term meaning "one who flees or emigrates." The term, used in connection with elements active in the DPA movement, refers to: (1) Soviet-indoctrinated Iranian nationals who fled to the USSR during the reign of Riza Shah; (2) refugees from the USSR who entered Iran prior to 1941 and received Iranian citizenship; and (3) Turki-speaking Soviet nationals who were sent into Iran primarily from the Azerbaijan Soviet Republic or, in smaller numbers, from the Trans-Caspian Soviet Republics.

Muhajirs are also active in other Soviet-inspired disruptive activities within Iran; such activity is noted in this paper under other headings.

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In September 1947 the Iranian Army initiated vigorous measures to round up *muhajirs*, during the period of the Soviet-Iranian oil dispute. Several thousand persons were rounded up and interned in southern Iran, at Bandar Abbas, Bushire, and Burujird. After being screened, a number were released and permitted to settle in designated areas of southern Iran, others were assigned to public works projects under guard, and others were imprisoned on Hormuz Island (MA Teh. 53, 20 Sept. '47; MA Teh. R-110-47, 20 Sept. '47).

Attempts of the Iranian Government to round up these people drew unfavorable notice from the Soviet press, indicating the continued interest of the USSR in these groups.

3. COMMUNIST FRONT ORGANIZATIONS.

No recent information is available concerning the few known Iranian political parties which in the past served in varying degrees as Communist front organizations. The only Communist front organization believed to be active at present consists of remnants of the left wing of the Iran Party.

a. *The Society of Friends of Soviet Azerbaijan.*

The Society of Friends of Soviet Azerbaijan was organized at Tabriz in 1946 (SSU A-66682, 29 March '46). Its branches throughout the province of Azerbaijan were headed by *muhajirs*, and its members included all the prominent officials of the DPA (MA Teh. R-247-46, 9 Nov. '48).

b. *The Freedom Front.*

The pro-Soviet Freedom Front active in Tehran between 1943 and 1947 was a loosely affiliated group of the owners or editors of some thirty-one publications, many of small circulation and occasional issue, printed at Tehran and in the provinces. The Tudeh Party papers belonged to this group, and its other members displayed varying degrees of cooperation in stressing a pro-Soviet line. Moreover, Soviet officers attempted to organize a Freedom Party at Meshed (OSS A-56273, 2 June '45; OSS A-59844, 2 Aug. '45).

c. *The Iran Party.*

In 1946 the Iran Party was won over to pro-Soviet beliefs to such an extent that its leaders, including Allahyar Saleh, signed an agreement with the Tudeh Party providing for the formation of a "liberal front" (Teh. 919, 1 July '46). Later the Iran Party split into two factions; the right-wing joined Qavam's Demokrat-i-Iran Party.

d. *The Jangali Party.*

In December 1945 a coalition was formed in the Caspian coastal area between the Tudeh, Jangali,* and Mihan Parties (MA Teh. R-34-46, 21 Feb. '46). The Jangali Party, heir to a long tradition of opposition to central government control, was a left-wing group not specifically pro-Tudeh in character. In the autumn of 1946, the party

* The party comprised Jangali tribesmen of Gilan province in northern Iran.

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split into two factions in Resht, and the larger faction united with the Tudeh (MA Teh. R-23-47, 11 Feb. '47).

4. PRO-SOVIET LABOR GROUPS.

Although the Iranian Government has undertaken extensive restrictive measures during 1946 and 1947 against the Central Committee of Trade Unions, a nucleus of the Committee still exists which retains considerable influence among the industrial workers of Iran.

Prior to 1941 unions were not permitted in Iran and regulations covering working conditions in industry and hours of labor were not generally enforced. After 1942 the Central Committee, directed by a flagrantly pro-Soviet leader of the Tudeh Party, Riza Rusta, was very active among the 200,000 industrial workers of Iran. Tudeh Party leaders were active in the formation of the Central Committee and held the key positions in the Committee organization. The two organizations consistently pursued identical policies.

The Committee directed the formation of labor unions in the industrial centers of Iran. Labor agitators, some trained in the USSR, made inflammatory appeals to mass emotions, and as a result there were bloody clashes between unionists and their opponents at industrial centers, including Abadan, Khurramshahr, and Isfahan. The USSR maintained training schools which offered six-week courses for labor agitators; one school was located ten miles north of the frontier of the province of Azerbaijan, and another was north of the frontier of Khurasan (OSS A-3173, 16 June '44).

By 1946 the Committee, through its affiliated unions, had succeeded in obtaining considerable political power by carrying on activities which were directed toward undermining the Iranian Government. By spring of 1947, the Iranian Government had succeeded in suppressing the organized activities of the Committee, had taken most of Iran's unions under the general jurisdiction of the newly formed Department of Labor, and had removed or arrested most of the Central Committee's former leaders, including Riza Rusta.*

Direct Soviet labor activity included support in seating Committee and Tudeh-sponsored representatives from Iran in place of the official delegates sent by the Iranian Government at the WFTU meeting held at Paris in 1945 (*Report of the World Trade Union Conference*, Congress, Sept. 25-Oct. 8, 1945, Paris).

In 1947 two Communist members of a three-man WFTU mission sent to inspect labor conditions in Iran spoke out strongly against the role of the Iranian Government in the labor movement, and demanded the release of former Committee leaders still under arrest. These charges were echoed by the press of the USSR and by the WFTU secretariat.

5. PRO-SOVIET ELEMENTS WITHIN THE IRANIAN ARMY.

Although the Iranian Army could offer no effective resistance to Soviet attack, the USSR endeavors to hamper its reorganization, to subvert its officers and men, and

* Rusta was released from jail in November 1947.

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to collect data relative to its battle order, internal administration, and individual officers. Efforts to penetrate the army are carried on at every level: Tudeh Party members and Soviet agents work to win new party members or Soviet sympathizers, while Soviet officials maintain social contact with the higher echelons.

The USSR has endeavored to play a part in the arming and training of the Iranian Army, and opposes the strengthening of the force by any other power. The USSR refused to return arms taken from the army in 1941, and a number of these weapons were later found in the hands of the DPA.

At the time of the Tehran Conference, Stalin offered the Shah tanks and aircraft. The Shah accepted the offer, until he learned that Soviet instructors were to accompany the matériel (CID 736600, 8 May '44). In the summer of 1946 an offer to supply military equipment was made to Prime Minister Qavam (Teh. 1431, 2 Nov. '46). The USSR inspired and launched press attacks against the two US military missions in Iran and against the proposed purchase by the Iranian Government of US surplus military supplies.

During the period of the autonomous regime in Azerbaijan, Soviet influence was demonstrated by the fact that small groups of officers and men of the army and air force deserted to join the DPA forces. Some of these officers and men came from units which had been stationed in Azerbaijan. A larger group deserted from a unit stationed in Khurasan, and some of its members made their way across country to Tabriz. Some deserters came from Tehran, other points in central Iran, and from as far away as southeastern Iran where certain officers known to hold pro-Soviet views had been assigned to distant posts in order to lessen their opportunities for political activity. Several members of the Iranian Air Force flew army planes to Azerbaijan.

Following these incidents, efforts were made to weed out pro-Soviet officers from the Iranian Army, although some divisional commanders assert that such elements are still present in their units. Several ranking officers of the Iranian Army are known to have strong pro-Soviet views. Typical of this group is General Amanullah Mirza Jahanbani, who attended the Imperial Russian Military Academy, speaks Russian, is married to a Russian, and has been active in the Irano-Soviet Cultural Relations Society.

6. PRO-SOVIET ELEMENTS WITHIN THE IRANIAN STATE RAILWAYS.

Soviet penetration of the Iranian State Railways is carried on principally by placing *muhajirs* in positions on the railway, and through the medium of the Tudeh Party.

The effectiveness of the propaganda activity of Tudeh members and Soviet Army officers in charge of personnel on the northern section of the railway was demonstrated at the time of the autonomous regime in Azerbaijan. Numerous employees left their posts in north-central Iran for Azerbaijan, where they operated the section of the Iranian railway controlled by the DPA.

After the Soviet evacuation of Iran the Tudeh Party managed to arrange the transfer of a considerable number of the employees of the northern section of the line to the central and southern sections (SSU A-69310, 16 May '46). The party was especially active in the union of railway employees, managed to win over some of the top officials, and in 1946 was fairly close to winning control of the organization.

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In the summer of 1947 Tudeh Party members and sympathizers were reported to be employed in a number of key stations throughout the railway system, notably at Ahwaz, Qazvin, and Arak (CIG SO 7854, 2 July '47).

7. TRIBAL ELEMENTS.

As early as 1927 the Soviet Government proposed to make an "independent republic" for the few Kurdish tribal elements within the USSR, but later on this plan was dropped in favor of activity among all the Kurds (G. Agabakov, *The Russian Secret Terror*, 1931, p. 101).

One purpose of such activity is clearly stated in a USSR handbook. ". . . the Kurdish part of the population can represent, with clever political preparation, a factor which would contribute to the successes of the Red Army. . . . An extremely disagreeable political situation can develop for the enemy in Iranian Azerbaijan and Kurdistan, since the inhabitants of these provinces are not only under class oppression, but are also suffering from ruthless national oppression. Consideration of the national movement and unfolding of a corresponding political propaganda would contribute to the success of the USSR" (*Survey of Iran*. High Command of the Armed Forces (USSR), Office of Foreign Countries Defense; Foreign Countries in General, 1941, p. 57).

Although the tribes as a whole maintain a strong anti-Soviet attitude, certain elements among the Kurds have proved receptive to Soviet manipulation, have accepted guidance and support from Soviet representatives, and have aided in implementing Soviet policy.

a. Remnants of the "Kurdish Republic."

No current information is available concerning the activities of former leaders of the so-called "Kurdish Republic," who escaped execution at the hands of the Iranian Government and fled from Iranian territory, or of those who remained in Iran.

Soviet support and direction of this short-lived regime is amply documented (A. Roosevelt, Jr., "The Kurdish Republic of Mahabad," *Middle East Journal*, I, 3 (1947), pp. 247-269; ORE No. 19, *Developments in the Azerbaijan Situation*, 4 June '47; *Documents submitted to the Security Council at its third meeting, 28 January '46 by the delegate of Iran*; SSU A-61562, 22 Sept. '45; and SSU A-67635, 6 May '46). After its dissolution in December 1946, some of its leaders asserted their allegiance to the Iranian Government. However, the Iranian Government's execution of certain leaders who had figured prominently in the regime so embittered others that they fled to the USSR and Iraq or remained in contact with Soviet representatives in Iran. These elements can be expected to provide active support to Soviet operations in the future.

b. The Barzani Kurds.

A group of the (Iraqi) Barzani Kurds, which, together with members of the DPA, numbers 6,000 to 8,000 men,* is now assembled in the USSR across the border from Azerbaijan. These Barzanis, a restless, aggressive element of the Kurds, entered northwestern Iran under pressure from the armed forces of Iraq. Reaching the area south-

* This figure is provided by the Iranian Chief of Staff.

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west of Lake Urmia, their leaders went for advice to the Soviet consul at Rizaiyeh. In the spring and summer of 1947 the Iranian forces attempted to round up and disarm the Barzanis. However, a number estimated at 650 to 1,500 slipped through, or bribed their way through, the army cordon and crossed the Araxes River into the USSR (MA Teh. M 06, 27 June '47); a number of these elements took their arms into the Soviet Union. They are now held by the Soviets near the frontier across from Iranian Azerbaijan (MA Teh. M 39, 14 Aug. '47). Despite reports suggesting that the Barzanis are dissatisfied with their treatment in the USSR (Teh. A-164, 31 Oct. '47), it is possible that the Soviets may send some of them back into Iran if a situation favorable to the spread of internal disorder develops within Azerbaijan. The Barzanis now in the USSR, together with those in northeastern Iraq and Iranian Kurdish sympathizers, constitute an element which could be exploited by the Soviets in connection with guerrilla activities or other inspired disturbances (MA Teh. 531, 31 Oct. '47).

c. Elements of the Jalali Kurds.

In the summer of 1947 the Jalali, a Kurdish tribe in the Maku area of northwestern Iran, were reported to be harboring *muhajirs* and Soviet agents, and in return were receiving arms from the USSR (Teh. 379, 15 May '47). Because of their geographical proximity and the pro-Soviet orientation of at least one of their tribal chieftains, the Jalali are in a position to render considerable service to the Soviets in facilitating the infiltration of agents into Iran.

d. Herki Kurd Renegades.

The present whereabouts of Zaro Beg Bahaduri and his Kurdish, Armenian, and Nestorian followers is unknown.

After twenty-five years in exile, Zaro Beg returned to Iran immediately after the Allied occupation of the country in 1941. With Soviet aid he recovered villages confiscated from him and thereafter killed gendarmes who entered the area. Although wanted by the Iranian Government, he frequently visited the Soviet consul at Rizaiyeh (MA Teh. R-164-46, 22 July '46). He was a marshal of the forces of the Kurdish Republic (Teh. 130, 25 Feb. '47) and took part in the signing of the treaty between the Kurdish Republic and the DPA Government (Tabriz 146, 7 May '46, and Teh. 178, 14 Nov. '46). Later, aided by the Begzadeh tribe, he resisted Iranian Army forces (Teh. 145, 1 March '47) and in April 1947 crossed over into Iraq accompanied by renegade Herki elements and several thousand Barzanis (Teh. 294, 18 April '47).

e. The Picheranlu.

This Kurdish tribe, located in Khurasan not far from the Soviet-Iranian frontier, is suspected of having connections with Soviet and Tudeh Party activities in the area. The high command of the Iranian Army has accordingly ordered the arrest of the two leading chieftains of the tribe (MA Teh. M 73, 22 Oct. '47). Nothing further is known concerning the nature or extent of Soviet activities among the tribes of northeastern Iran.

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f. Disaffected Elements among the Khuzistan Arabs.

Disaffection among the Arab tribes of Khuzistan is intense because of the oppressive measures of the Iranian Government, which has persisted in treating these people as undesirable minorities. Their close connections with Arab tribes in Iraq tend to develop among them separatist inclinations whenever governmental oppression becomes severe. Soviet agencies desiring to exploit this disaffection have at various times made contacts with the tribal leaders. In 1942 the Soviet consul in Kermanshah, together with other Soviet agents, participated in a meeting with leaders of the Bani Turuf tribes, but without achieving any success.

8. MINORITY ELEMENTS.

The official Soviet view with regard to minority groups within Iran is contained in the Soviet *Survey of Iran*. "The dissatisfaction among various nationalities and tribes, such as the Turks of Azerbaijan, Kurds, Turkomen, Armenians, and Jews, is intensified also by the fact that in spite of a thousand barriers, the truth about the condition of the national minorities in the union of the USSR, especially in Soviet Armenia, Azerbaijan, Turkmenistan, and Tadzhikistan, seeps through. It follows from the above that in the areas in which these national minorities and tribes live those in charge of the Iranian Government cannot count upon the political unity and firm support of the province."

a. Armenians.

Elements of the Armenian minority in Iran continue to provide a useful channel for Soviet exploitation. In general, the Armenians maintain nationalistic sentiments toward the Armenian "homeland" and traditionally look upon Russia as their protector against Moslem discrimination. These factors result in a sympathetic orientation toward the Soviet Union and, in some cases, in active defection vis-a-vis the Iranian Government, manifested by the support which Armenians gave to the Soviet-sponsored Azerbaijan Republic.

The USSR, in December 1945, announced throughout the Middle East that Armenians resident in the several countries of this area would be welcomed as immigrants to the Soviet Republic of Armenia. The Soviet consulate at Tehran handled applications for Iranian Armenians and dispatched the emigrants directly to the USSR without clearance through Iranian governmental channels. Recruiting stations were set up at Isfahan, Arak, Tabriz, and elsewhere. More recently, with the re-establishment of frontier control, the Iranian Government is making it difficult for Iranian Armenians to emigrate to the USSR (Teh. 515, 6 Oct. 1947). Soviet authorities state that 25,597 Armenians emigrated from Iran during 1946 (OIR-DRN Inf. Note No. 131, 7 Nov. 1947).

One confirming bit of evidence in relation to the success of Soviet propaganda among the Armenians is the fact that the Armenian bishop of Julfa (Isfahan) is a notorious Soviet agent (OSS A-3173, 16 June '44, and MID WDGS 3144.0300, 28 Oct. '46).

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b. *Assyrians.*

Some 20,000 to 30,000 Assyrians (Nestorian Christians) live in the region just west of Urmia. This minority proved receptive to activity of the Tudeh Party among its members, and individuals also took part in the DPA movement. (OSS A-57974, 2 June '45, and OSS A-55537, 19 Apr. '45.)

During the disorders in the Assyrian villages near Rizaiyeh and Shahpur in reprisal for Assyrian sympathy with the DPA after the fall of the Azerbaijan regime (13 December 1946), Soviet consular officials were active in gathering evidence of outrages against the Assyrians. Statements were signed by people who had been robbed or attacked; devastated villages, looted houses, and the bodies of murdered Assyrians were photographed; and testimony was taken from witnesses (Tabriz 23 June '47; 14 August '47; 29 September '47).

9. THE QAJARS.

Influential members of the Qajar family have strongly supported Soviet policies and are in close contact with Soviet officials. Recent reports suggest that the USSR may be lending encouragement to the dynastic and political aspirations of the Qajars in order to promote regional movements or to undermine the authority of the present anti-Soviet regime.

The Qajar dynasty ruled Iran from the end of the eighteenth century until Riza Shah ascended the throne in 1925. At this time the constitution was amended to bar members of the Qajar family from the royal succession.

When Iran adopted the Western practice of family names, branches of the Qajar line assumed a number of different family names; hence, their names do not always identify them as Qajars.

Active Qajar leaders of the Tudeh Party include Abbas Iskandari and Iraj Iskandari. Abu Nasr Azod is an intellectual leader of the Tudeh Party who shuns publicity. Muzaffar Firuz was originally high in the councils of the so-called anti-Soviet party of Sayyid Zia ad-din Tabatabai, but deserted this party and came out with pro-Soviet views. In 1946 and 1947, as a close associate of Prime Minister Qavam, he held several official posts including that of Iranian Ambassador to Moscow and was vocal in support of Soviet policy toward Iran. He recently went to Europe, where he may be plotting for the restoration of the Qajar dynasty. Muhammad Vali Mirza Farman-Farmayan was deputy in the XIVth Parliament and in 1946 was appointed a provincial governor. He holds strong pro-Soviet views. Qajars within the Iranian Army who have given strong support to pro-Soviet policy include General Muhammad Husain Firuz and General Amanullah Mirza Jahanbani.

10. INTELLIGENTSIA AND STUDENTS.

Soviet contacts with these elements are largely through cultural organizations. However, the general attitude of the two groups inclines to be pro-Soviet even without special encouragement, motivated in part by the belief that the US and UK lean toward preservation of the *status quo* in Iran.

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The basic complaint of the younger, well-educated Iranians is the slow progress of the government, the lack of social improvements, and the older generation's monopoly of positions of importance. During the reign of Riza Shah at least one hundred Iranian students were sent abroad each year to complete their higher education. A large percentage of these students became dissatisfied after their return to Iran and have never become reacclimatized to Iranian life.

Thus, this group and the Iranian student body in institutions of higher education are receptive to any ideology which would alter the present situation and incline toward the so-called "democracy" of the Soviet system. The student body of Tehran University includes a considerable number of pro-Soviet sympathizers. The University faculty also contains pro-Soviet individuals. This is particularly the case in the College of Medicine where the close contacts established by Dr. Baroyan, former head of the Soviet Hospitals in Iran, have proved valuable. In one technical high school at Tehran 75 percent of the students favor the Tudeh Party line. The attitude of the students has been reflected in demonstrations and in resistance to staff authority.

11. RUSSIAN EMIGRES.

No information is available concerning the present activities and political affiliations of Russian emigrés in Iran.

A large number of Russians, probably totaling more than 4,000, reside in Iran in nonofficial capacities, employed in small commercial enterprises. These individuals, concentrated chiefly in northern Iran, include White Russians holding Iranian or international passports. Prior to World War II, many of them were identified as or suspected of being Soviet agents. It is probable that a number are now in the service of the USSR, in accordance with the Soviet practice of using White Russians as agents throughout the world.

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ANNEX III

SOVIET AGENCIES EMPLOYED IN THE IMPLEMENTATION OF SOVIET POLICY

1. POLITICAL.

The continued efforts of the USSR to dominate political relations with Iran are well documented (OIR 4304, *Soviet Interference in the Internal Affairs of Iran from January 29, 1942 to December 13, 1946*. Not released as of 1 Jan. '48).

The USSR consistently fails to treat Iran as a diplomatic equal. It has violated existing treaties, forced unequal treaties and agreements upon Iran, interfered in internal Iranian affairs, ignored Iranian diplomatic representations and protests, and has pressed certain demands with threats that failure to comply will result in Soviet enmity toward individual Iranian officials and toward the Iranian Government.

In October 1944 the cabinet of Prime Minister Saed refused to grant oil concessions to the USSR. Saed was attacked vigorously by Soviet officials and press, and finally resigned. In late 1945 Prime Minister Hakimi offered to go to Moscow to discuss outstanding differences, but his offer was never even acknowledged.

On 23 November and 11 December 1946 the Soviet Ambassador in Tehran warned Prime Minister Qavam and the Shah against sending Iranian forces into Azerbaijan. In August and September 1947 the Soviet Ambassador in Tehran warned of the bitter enmity which the USSR would feel toward Iran if the proposal for the establishment of a joint Iranian-Soviet oil company were not approved.

a. Embassy and Consular Establishments.

The total diplomatic and consular representation of the USSR in Iran is known to be larger than that of any other foreign power. The accredited diplomatic personnel of the Embassy alone numbers twenty-four officials, and there is probably at least twice this number of subordinate staff members. Soviet officials in Iran engage in activity outside the scope of their diplomatic duties.

The Soviet Union maintains consulates general in Tehran, Tabriz, Meshed, and Resht. In Tabriz, the staff consists of the consul, a vice consul, and three clerks; in Meshed, a consul, two vice consuls, one "secretary and publicity assistant," one passport officer, and a "trade agent"; in Resht, a consul, two vice consuls, and two clerks.

Consulates are maintained at Isfahan, Kermanshah, and Shiraz. The Isfahan staff consists of a consul, a "vice consul and VOKS representative," a consular secretary, and one interpreter; in Kermanshah, a consul and two vice consuls; in Shiraz, a consul, a "consular secretary," a vice consul, and a secretary.

The USSR is also represented at Ardebil, Rizaiyeh, Maku, Ahwaz, Gurgan, and Shahpur. At Ardebil the establishment consists of a vice consul and a "political officer and trade agent"; at Rizaiyeh, a vice consul and a "secretary and political officer"; at Gurgan, a consular representative; at Shahpur, the representative is called a "trade agent" (Teh. desp. 588, 31 Dec. '47).

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Direct contact between the Soviet Government and its officials in Iran is maintained through radio transmitters located in the Embassy and in the consulate at Rizaiyeh.

During World War II the USSR maintained nineteen consular offices in Iran. Twelve of these nineteen posts were within the Soviet zone of occupation, and their personnel, exclusive of minor Soviet and Iranian employees, numbered at least forty-five officials. The offices in Azerbaijan were staffed by able men who were specialists in Iranian affairs, spoke the local languages, and seemed to possess considerable authority, but some of the offices in other parts of the country were headed by men who seemed to have no specialized background and who were unfamiliar with the language of the country.

Nearly all of the officials of the Soviet consulate general at Tabriz (6) and those of other consular offices in the province of Azerbaijan were Soviet Azerbaijanis (SSU A-64104, 1 Nov. 45). At Meshed the staff of the consulate general was larger than that of the long-established UK consulate general (OSS A-57111, 7 June '45). In 1946 the Soviet Consul at Isfahan, who had been two and a half years in the post, was assisted by two vice consuls. One was a Soviet Moslem, and both knew the Persian language well (MID WD 7231, 9 Aug. '46).

During 1946 and 1947 the offices at Zahidan, Zabul, Sari, Bandar Shah, Bandar Pahlevi, and Qazvin were closed.

b. Satellite Representation.

In addition to Soviet diplomatic representation, the Polish, Czechoslovakian, and Yugoslavian Governments maintain small diplomatic staffs in Tehran. No information is available concerning their staffs and extraofficial activities.

2. INTELLIGENCE.

It is probable that all Soviet agencies assist in the collection of military and related intelligence. Such intelligence deals with Iran's internal conditions and Iranian activities, and also places emphasis on the activities of foreign powers in Iran and the possible use of Iran as a theater of military operations.

a. Military.

The staff of the Soviet Embassy at Tehran includes four military attachés. Information regarding the nature and scope of their activity is not available.

Soviet military intelligence is primarily concerned with possible operations in the Iranian theater. A study produced by Soviet intelligence, *Survey of Iran* (High Command of the Armed Forces, Office of Foreign Countries Defense; Foreign Countries in General, 1941) envisaged a conflict in northern Iran between the USSR and British-Iranian forces. Routes of attack against the USSR are described in this publication, but attention is concentrated upon projected Soviet operations in the area. Continued intelligence activities along these lines are indicated by the fact that Soviet Army units were engaged in map survey work directly northeast of Tehran and in the province of Khurasan in 1946.

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b. Espionage Agents.

Details relative to current Soviet espionage in Iran come principally from statements made by the several agents captured by the Iranian Army. In view of the weakness of Iranian counterintelligence operations, it is probable that a large number of agents carry on undisturbed activity. Agents at work in Iran include Soviet nationals, Iranian nationals, and *muhajirs*.

Within recent months a considerable stream of *muhajirs* has been brought into Iran by Iransovtrans trucks which are not inspected by Iranian officials (CIG SO 6495, 3 June '47) and by other means (Teh. 929, 25 Sept. '47). The Iranian Army captured three Soviet nationals north of Meshed. One carried a detailed letter of instructions covering espionage on Iranian Army units at Meshed (MA Teh. R-57-47, 12 May '47).

A transmitter-receiver unit and its Iranian national operator, admittedly in Soviet pay, were seized by the Iranian Army near Gorgan. The operator was to report any activity of an unusual nature to a radio center across the frontier (MA Teh. M 40741, 10 Dec. '46).

An Iranian national trained as a Soviet agent and recently taken by the Iranian Army has testified to the existence of an espionage training school at Baku attended by Iranians, and of a radio station at Lenkoran which maintains contact with Soviet spies in Iran. He also stated that Soviet agents are instructed to make friends with personnel of the Iranian general staff and especially with the typists of the staff (MA Teh. M 71, 21 Oct. '47).

Soviet "weather stations," meteorological posts equipped with radio transmitters, were maintained in northern Iran in connection with Soviet air-line operations in the area. When the air line ceased operations in the summer of 1947, the weather stations at Tehran, Bandar Pahlevi, Meshed, and Tabriz continued in service (Teh. 666, 24 July '47).

3. COMMERCIAL AND FINANCIAL.

Consistent with Soviet practice in other countries, Soviet commercial organizations in Iran maintain a personnel much larger than the volume of business requires, and certain members are engaged in covert activities.

The commercial exploitation to which the USSR subjected Iran during the years of occupation by Soviet troops (September 1941 to May 1946) has been covered by official reports of US representatives in Iran. A. C. Millspaugh, *Americans in Persia*, presents considerable evidence on this subject. This background material has been extensively used in assessing the current activities of the individual Soviet commercial and financial agencies in Iran, since insufficient data is available on their present operations.

a. Torgpred (Soviet Trade Delegation: Torgovoye Predstavitelstvo).

At the present time the USSR Commercial Agency, more generally known as the Soviet Trade Delegation, maintains a head office at Tehran, with branches at Bandar Pahlevi, Tabriz, and Meshed (see also III-1. a). The establishment of this

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agency was provided for by the Irano-Soviet Treaty of Commerce of 25 March 1940, which also stipulated that additional branches could be opened with the consent of the Iranian Ministry of Commerce.

The present head of the Soviet Trade Delegation is also the second ranking diplomatic official of the Soviet Embassy in Tehran. Torgpred exercises control over the following departments and subsidiary agencies: export department; import department; Russo-Iranian Bank; Iransovtrans; Iransovnaft; Sovkino; Gosstrakh; and Intourist. The head officials of these departments and agencies are directly responsible to the Trade Delegate, although in nonpolicy matters they operate on instructions from the central Soviet agencies which they represent.

The Import Department is composed of various commodity divisions, for sugar, textiles, et cetera. The Export Department includes separate divisions for transactions in rice, wool, dried fruits, et cetera. A number of the officials in both departments are understood to be primarily political agents. Moreover, the activities of the Import Department have a political aspect, notably in respect to the sale of commodities such as sugar and textiles, the profits of which have been used to provide funds for political or propaganda activities (Teh. desp. 588, 31 Dec. '47).

In 1946 the total personnel of the Tehran office of Torgpred was said to be 700 employees. Salman Assadi, formerly Director General of the Industrial and Mining Bank of Iran, quoted the above figure on the size of the Delegation Staff at Tehran (Teh. 151, 10 Dec. '46). In spite of possible exaggeration, the size of the Tehran staff is certainly greater than the amount of trade between the two countries warrants (Teh. 111, 12 Feb. '47). Representatives of the Delegation were active at Bandar Pahlevi (MA Teh. R-24-47, 11 Feb. '47) and at Julfa (MA Teh. R-21-47, 6 Feb. '47), while the Meshed office had between 20 and 30 Soviet members (OSS A-57111, 7 June '45).

The Soviet Trade Delegation conducts operations in Iranian currency, which makes available funds for Soviet official and covert expenditures in Iran, and makes it possible to offer Iran commodities otherwise obtainable only by payment in foreign currency. The wartime operations of the Soviet Trade Delegation are fairly well documented (MA Teh. 232, 2 Feb. '44 and A. C. Millspaugh, *Americans in Persia*, pp. 109, 118, 177, and 182). Postwar activities of the Soviet Trade Delegation are exemplified by their offer made in 1946 to supply the Iranian Government with 20,000 tons of rails required to bring to completion the Mianeh-Tabriz section of the Iranian State Railways, provided that it be constructed in the Soviet five-foot gauge, although the Iranian State Railways is a standard gauge system. Since the old line from Julfa (on the Irano-Soviet frontier) to Tabriz is of the Soviet five-foot gauge, acceptance of this offer would have extended the Soviet gauge system 200 miles into Iran (SSU A-71080, 14-20 Aug. '46).

b. Commercial Agencies of Satellites of the USSR.

A Yugoslav economic delegation to Iran proposed a draft agreement covering the exchange of agricultural, industrial, and other products to Iranian authorities, but no action was taken on the proposal by the two countries (Teh. 769, 23 July '47). It was learned that Yugoslavia had in view the establishment of a shipping line from a

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Yugoslavian port to Basra, Iraq, and it appeared that the delegation also desired this proposed line to call at Iranian ports. The delegation demonstrated keen interest in securing facilities for the transit of goods through Iran. It would appear that such facilities, if granted, would be more useful as a means of Soviet political-commercial penetration than for their direct commercial benefits to Yugoslavia.

c. *Russo-Iranian Bank.*

The Russo-Iranian Bank maintains its main offices at Tehran with 12 Soviet employees. Branch offices operate at Tabriz, Meshed, and Bandar Pahlevi, with smaller branches at Quchan and Sabzawar. (Previously branches were maintained at Bandar Shah and Gurgan, which are now believed to be closed.) This bank began operations in 1924 with the announced purpose of financing trade between the two countries, and it continues to function as the financial and accounting department of Torgpred (Teh. desp. 588, 31 Dec. '47). In 1925 it had a capital of 5 million gold rubles. (Details relative to the early operations of the bank are taken from the *Guide to the Soviet Union*, Moscow, 1925.) [redacted] the Russo-Iranian Bank, STAT
aside from its commercial transactions, engages in financing espionage activities and is acquiring foreign exchange, especially sterling and dollars, in large quantities on the open market. The Tabriz branch of this bank employs six Russians and two Iranian interpreters, one of whom is Armenian; it works closely with the Torgpred office in Tabriz. Its volume of business is reportedly larger than that of the Tehran office (Teh. 1160, 25 Nov. 1947; MA Teh. R-24-47, 11 Feb. 1947).

d. *Irano-Soviet Fisheries Company (Shilat).*

The head office of the Irano-Soviet Fisheries Company (Shilat) is at Bandar Pahlevi, with branches at Astara, Babul Sar, and Bandar Shah and probably at other coastal points. This joint company in which Iran and the USSR each hold 50 percent of the shares, was established by an agreement between the two countries on 1 October 1927. The company has a monopoly, effective until 1952, on the sale of the output of the fisheries along the Iranian shores of the Caspian.

Ninety percent of the produce of the company is sold to the (Soviet) Chief Administration for the Sale of Fish (Glav-Riba), which pays low prices to the company and redistributes the produce at high figures, thereby absorbing profits which should be made by the company itself. The remaining 10 percent of the produce is sold by the company within Iran. The company has shown a loss on its operations almost every year (Teh. desp. 588, 31 Dec. '47).

The company is directed by a board of three Soviet and three Iranian members; by means of the manipulation of one or more of the Iranian members, all decisions are made to conform with Soviet proposals. By agreement the manager of this company is to be alternately a Soviet citizen and an Iranian, but when, in 1944, the manager should have been an Iranian, the Soviets insisted that one of their nationals be named to the post (A. C. Millsbaugh, *Americans in Persia*, p. 175). The unilateral operation of this joint company is an illustration of the manner in which proposed Irano-Soviet concessions or companies would be conducted to favor the interests of the USSR.

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e. *Caspian Sea Navigation Company.*

The head office of this company in Iran is at Bandar Pahlevi (MA Teh. R-24-47, 11 Feb. '47). There is a branch office at Bandar Shah and probably at other ports along the Iranian coast. The company's fleet operates between Baku and the Iranian Caspian ports. These vessels are reportedly used to smuggle agents into Iran. By August 1946 Moscow had not given the company permission to turn back installations at Bandar Shah to the Iranian Government (SSU A-71080, 14-20 Aug. '46). Operations of this company were covered in an agreement between Iran and the USSR of 1 October 1927. Article XI of the Soviet-Iranian Treaty of 1921 declares that navigation on the Caspian Sea is entirely free for both countries. In actual practice Iran has failed to make use of these waters except for locally owned fishing boats. The USSR maintains warships on the Caspian in addition to its commercial fleet.

f. *Iransovtrans.*

The Iransovtrans transport organization, set up during World War II as a company provided with its own capital but subordinate to the Soviet Trade Delegation in Iran, is continuing its operations in Iran. Its main office is in Tehran, and it maintains a branch in Tabriz. The locations of other branch offices, if any, are uncertain. The Iranian Ministry of Foreign Affairs has recently made a formal request for the liquidation of Iransovtrans.

During the war its purpose was to transport lend-lease goods and local Iranian produce through Iran to the USSR. It operated fleets of trucks and some passenger busses and managed local freight shipments on the northern section of the Iranian State Railways. At first the company contracted for the use of Iranian-owned trucks but later added a fleet of lend-lease trucks.* In its operations the company consistently violated Iranian regulations. For example, it charged rates for freight and passenger transport which were below those officially fixed by the Iranian Government. It also obtained preferential treatment in its contract with the Iranian Office of Road Transport, for the contract failed to set penalties for delays in shipment by Iransovtrans (MA Teh. 232, 2 Feb. '44, and Teh. 1448, 8 Nov. '46). After the end of the war the company refused to permit Iranian inspection of its traffic and violated frontier control regulations (CIG SO 6495, 3 June '47).

Negotiations in 1946 with the Iranian State Railways for a two-year renewal of leases on storehouses owned by the railway indicate that the company intends to maintain operations on a substantial scale (CIA SO 3341, 1 Dec. '46).

In 1947 representatives at Bandar Pahlevi (MA Teh. R-24-47, 11 Feb. '47) and Julfa (MA Teh. R-21-47, 6 Feb. '47) were active, and the company was engaging *muhajirs*, principally Armenians who spoke Turki. By the end of June 1947 some 400 former

* More recent information (Teh. desp. 588, 31 Dec. '47) states that Iransovtrans no longer maintains its own trucking organization and now conducts its business chiefly through local garage agents and contracts made with individual drivers. However, the Iranian Government has recently banned the movement of 500 vehicles owned by Iransovtrans and Iransovnaft in the frontier area (MA Teh. 134, 14 Feb. '48), which suggests that extensive operations are being continued by Iransovtrans.

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employees had been reinstated and stationed chiefly in Tabriz, Zenjan, Shahrud, and the province of Khurasan (SO 8177, end June '47).

Iransovtrans is also reported to be engaged in carrying Soviet agents over the Iranian frontier, and is considered an ideal cover organization for dissemination of Soviet propaganda. During 1947 the company's storage area in Tehran was used for Tudeh Party meetings (London, SO 9282, 17 Aug. '47).

g. Iransovnaft.

Iransovnaft, an agency for the marketing of Soviet petroleum products in Iran, is again active and maintains representatives at Tabriz and Bandar Pahlevi.

The Treaty of Commerce between Iran and the USSR of 25 March 1940 provides that the Soviet Trade Delegation and economic organizations of the USSR shall have the right to set up filling stations in Iran and to construct storage tanks and other buildings necessary for dealing in petroleum and its products. The terms of the treaty do not restrict this privilege to any particular section of Iran. Prior to World War II this agency sold considerable quantities of gasoline and other petroleum products throughout northern Iran for the same prices charged by the AIOC for these items.

This company was very active at Tabriz during the period of the autonomous regime in Azerbaijan and brought in petroleum products from the USSR on which no customs duties were paid (SSU A-64104, 1 Nov. '45). In 1947 the company maintained a representative at Bandar Pahlevi (MA Teh. R-24-47, 11 Feb. '47).

h. Gosstrakh; Gosfehl.

Gosstrakh, which shares an office in Tehran with Intourist, deals with insurance matters relating to Irano-Soviet trade, and also conducts a general insurance business. Its rates are reported to be more favorable than those of most other agencies in Iran, particularly in cases where premiums are payable in foreign currency (Teh. desp. 588, 31 Dec. '47). It also has a Tabriz branch (Tabriz, 10 Nov. '47). Gosfehl, also a Soviet insurance company, is reported to maintain an office in Tehran (Teh. 328, 26 Apr. '47). No further information concerning these agencies, which may be identical, is available.

i. Sovkino.

Sovkino, the Soviet Film Agency, distributes Soviet films throughout Iran and supplies operators and equipment for cinema shows given by VOKS and the Irano-Soviet Cultural Relations Society (SSU A-64104, 1 Nov. '45). The agency, which is administered by VOKS, is known to have representatives at Tehran and Tabriz (see also III-3. a and III-4. g).

j. Intourist.

Intourist, the Soviet Travel Agency, now maintains offices at Tehran and Meshed. The Tabriz office was closed in 1947.

It is known that the personnel of this agency engages in covert activity; moreover, a Soviet colonel, who had headed the personnel department of the northern section of the Iranian State Railways, reappeared in civilian clothes as director of the Tehran

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office of this agency (SSU A-69561, 28 May '46). The current director of Intourist is also head of Iransovtrans (SO 8177, end June '47). Intourist is currently reported to have hired a number of *muhajirs*.

k. Irano-Russian Forestry Exploitation Company.

This company, which has its central office at Pahlevi, owns a private telephone line along the Caspian coast, between Pahlevi and Karganrud (Teh. desp. 136, 25 Sept. '46). No further details concerning this company are known.

4. SOCIAL AND CULTURAL.

The Soviet program of cultural relations, on which the USSR spends large sums, is not designed for the mass of the population, but for the rather restricted number of intelligentsia of Iran. Its success has been greatest among school teachers, college students, and younger writers, some of whom have been attracted by the offer of jobs or of grants for writing and research. Since 1946 smaller numbers of Iranians have been attending Soviet cultural programs, but current Soviet efforts, expenditures, and personnel are maintained at the earlier levels.

The Soviet program, the most extensive program of its type in Iran, is divided in two parts: the informational activities are conducted by the Soviet Embassy, and the cultural by the Consul General in Tehran, acting through VOKS (All-Union Society for Cultural Relations) (Teh. desp. 588, 31 Dec. '47).

In addition to its general cultural relations program, the USSR has employed such devices as medical facilities, religious missions, and groups of entertainers to foster good relations in the cultural field. Such activities are also known to have provided opportunities for the collection of intelligence and other clandestine operations in Iran.

a. VOKS (All-Union Society for Cultural Relations: Fse-Soyuznoe Obshchestvo Kulturnoy Sviazi).

VOKS, which is in charge of Soviet cultural relations with all foreign countries, maintains a "House of Culture" at Tehran, opened in January 1945, in the spacious former Japanese Legation (SSU A-68630, 14 May '46, and Teh. 35, 29 May '46). At the end of 1946 its staff numbered at least twenty Soviet citizens.

The organization contains nine sections for the following cultural activity: science, medicine, sports, music, fine arts, theater, films, rural reconstruction, and industrial arts. Each section is supervised by a Soviet national, and in Tehran in 1946 at least eight staff members were teaching the Russian language to some 800 students (MA Teh. R-247, 9 Nov. '46).

VOKS maintained representatives at Meshed and Resht, at Tabriz (SSU A-66174, 26 Jan. '46), at Bandar Pahlevi (MA Teh. R-24-47, 11 Feb. '47), Kermanshah (CIA 35474, 28 Aug. '47), Isfahan, and Ahwaz. There were reading rooms in several towns (MA Teh. R-8-44, 9 Sept. '44), including Quchan, Darajaz (?), and Rizaiyeh (Teh. desp. 588, 31 Dec. '47); that at Tabriz was in operation in the summer of 1947 (Tabriz, 21 Aug. '47). The chief representative of VOKS in Iran is automatically a member of the board of directors of the Irano-Soviet Cultural Relations Society.

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b. *Irano-Soviet Cultural Relations Society.*

The Irano-Soviet Cultural Relations Society, which cooperates closely with VOKS and, in some of the provincial centers, is almost indistinguishable from the latter, has its headquarters in a large building at Tehran. Information is available concerning the general organization and purposes of the Society (SSU A-68630, 14 May '46), the 1946 membership of the board of directors (SSU A-68657-c, 29 April '46), and the location of provincial branches at Meshed, Isfahan, Resht, Tabriz, and Rizaiyeh (MA Teh. R-8-44, 9 Sept. '44).

According to its constitution, the Society has as its primary goal the development and extension of cultural relations between the peoples of Iran and the USSR in the fields of science, art, literature, and sports. It is intended to conduct programs which include lectures, motion pictures, theatrical presentations, etc.; to publish papers and periodicals and sponsor translations of scientific books; and to sponsor tourist travel groups, congresses, and archaeological work in Iran and the Soviet Union. The majority of these activities were being carried on during 1945-1947.

In the spring of 1946 the majority of the board of directors of the Society at Tehran consisted of Tudeh Party members or strong pro-Soviet sympathizers, such as Said Nafisi, Mme. Sayah, wife of the Iranian Ambassador to the USSR, and Dr. Yazdi (II-1) (SSU, A-68630, 14 May '46). The amount of money spent by the USSR in support of this Society probably averages at least \$75,000 a year.

Most of the programs held by the Society through 1946 were "rather heavy going." Long speeches were standard while the lectures usually lacked popular appeal, offering accounts of obscure Russian writers or programs in commemoration of various anniversaries. The monthly magazine of the Society, published in Persian and entitled *Payam-i-No* ("New Message"), contained lengthy, dull articles. In September 1947 Soviet sources claimed that some 800 people attended a meeting of the Society held to celebrate the 800th anniversary of the founding of Moscow (Radio Moscow, Home Service, 18 Sept. '47).

A Soviet school opened at Tabriz in 1944 was a unit of the local branch of the Society. Directed by a Soviet Azerbaijani, the school had an enrollment of 750 students during its first year, and 1,000 in 1945. The school ranged from the first through the tenth grade and gave instruction in various subjects in the Russian, Persian, and Turki languages. There were also evening classes for adults (OSS A-62974, 29 Oct. '45; SSU A-66174, 26 Jan. '46; and OSS A-40757, 28 Sept. '44).

c. *Cultural Relations Societies of Satellites of the USSR.*

Cultural and informational activities are also carried on in Iran by Soviet satellites.

During World War II an Irano-Polish Cultural Relations Society was established at Tehran, which published at least two books. In 1946 a Yugoslav-Iran Cultural Relations Society was active at Tehran (SID Iran, Chap. VII, Subversive). The president of the Society was a leading Iranian figure, Allahyar Saleh, head of the Iran political party (MA Teh. R-247-46, 9 Nov. '46). In August 1946 the Information Section of the Yugoslav Foreign Office at Tehran distributed pamphlets in Greek which

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attacked the Greek Government and US support of these "Fascists" (SO 7022, 8 Aug. '47).

d. Soviet Medical Organizations.

The Soviet hospital at Tehran, now called the "Hospital of Soviet Red Cross," was opened in May 1943 (SSU A-68630, 14 May '46) with a staff of ten doctors. Treatment was good, but charges for medical service and hospitalization were much higher than at Iranian Government hospitals. The branch hospital at Tabriz operated mobile dispensaries (OSS A-48905, 11 Jan. '45). On the occasion of the fourth anniversary of the hospital at Tehran, mention was made of its branches at Resht, Meshed, and elsewhere (Radio Moscow, Tass. Soviet overseas in English Morse to North America, 25 May '47). A nursing school is attached to the hospital.

Dr. Ohannes Baroyan, head of the Tehran hospital until recalled to Moscow in June 1947, was believed to be the head of Soviet political intelligence in Iran, and possibly in the Middle East as a whole (Teh. desp. 588, 31 Dec. '47). A colonel in the Soviet Army and the representative of the Soviet Red Cross in the Middle East, he was the organizer and director of the hospitals at Tehran, Meshed, Qazvin, Tabriz, and Resht. He claimed to have 600 persons engaged in hospital work outside the USSR. His personal influence was exerted on Iranian doctors, and he and his staff were active in medical conferences held at Tehran and in the publication in Persian of a medical journal at Tehran (OSS A-64295, 20 Nov. '45; OSS A-63759, 5 Dec. '45; MID R-213-46, 16 Sept. '46; Addis Ababa, US Legation No. 245, 21 Sept. '46; Teh. 1301, 1 Oct. '46; CIG SO-6775, 9 July '47).

e. Study Missions in Iran.

No recent Soviet study missions to Iran have been reported.

During World War II the USSR sent several special missions to Iran whose members traveled extensively throughout the country. Lieut. Gen. Dr. Pavlovski led three medical study missions in two years and by 1945 had prepared 100,000 words of text for early publication (SSU A-68630, 14 May '46).

In 1945 a Soviet mission studied plants and fruit, and a delegation of Soviet trade-union leaders toured Iran at the invitation of the Central Committee of Trade Unions (MA Teh. R-89-45, 20 Aug. '45).

f. Religious Missions to Iran.

No recent religious missions to Iran have been reported.

During the war, the head of the Russian Orthodox Church and a number of Soviet Moslem leaders made visits to Iran during which they stressed the freedom of their religions within the Soviet republics. In the case of the Moslem leaders, efforts were made to indicate the compatibility of Communism with Islam.

Alexi, Patriarch of Moscow and of the USSR, passed through Tehran in May 1945 on his way to Syria and Palestine (SSU A-68630, 14 May '46). The Shaikh al-Islam of the Caucasus, Ali Zadeh, came to Iran in June 1945 to make a pilgrimage to Qum and Meshed, and in November of the same year fourteen *ulemas* of the USSR reached Tehran on their way to visit the Near East and Mecca. The group included Babkhan,

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Shaikh al-Islam, the Grand Mufti of Tashkent, and Moslem leaders in Kazakistan, Turkmenistan, and Kirgizstan (SSU A-68630, 14 May '46).

g. Soviet Films and Theater Groups.

Sovkino operates one theater in Tehran, and is said to control one in Resht.* Three or four other cinema houses at Tehran are believed to be Soviet controlled (OSS A-48905, 11 Jan. '45), and the Cinema Rayak chain, in which the USSR Embassy has a 25 percent share, specializes in Soviet films.*

One cinema house at Meshed also specializes in Soviet films (OSS A-62974, 29 Oct. '45), which are also shown in Azerbaijan, in the Caspian provinces and, less frequently, in central Iran. In Ahwaz, one of the cinema houses is owned by a syndicate of Tudeh sympathizers; it shows only Soviet films and may be Soviet subsidized; films of Soviet origin are also shown in a cinema house in Burujird.* Soviet films, because of their lack of entertainment value, are not as well attended as US films.

During and following World War II, theater groups visited Tehran, Azerbaijan, and the Caspian region every few months. These groups included Red Army choral groups, singers, orchestras, dancers, and a Soviet circus. Such presentations were very well attended. There is no information concerning the current activities of these groups.

h. Junkets to the USSR.

Groups of professors, journalists, and religious, tribal, and political figures have been taken from Iran to Moscow or to the capitals of other Soviet republics to attend special celebrations. Most of the members of such parties were pro-Soviet Iranians whose sympathies were supposedly strengthened by these tours. Others were brought to the USSR for pro-Soviet indoctrination. The Mayor of Tehran was flown to Moscow for the 800th anniversary of that city (Radio Moscow. Soviet Home Service, 18 Sept. '47).

5. PRESS AND PROPAGANDA.

In the field of press and propaganda activity, the USSR follows a persistent policy. The Soviets carefully guide a segment of the Iranian press in an attitude hostile to other foreign powers and to the Iranian Government, and friendly toward the USSR. Then the Soviet press and radio quote these inspired sentiments to the world at large as the true opinions of Iranians toward local and international affairs.

a. The Soviet Press and Radio.

(1) *Soviet Radio.*

Soviet broadcasts to Iran include music, news items with the distinctive Soviet slant, and often a fifteen-minute commentary offering selections from the Soviet and Iranian press or a specially prepared talk on some current subject.

* Teh. desp. 588, 31 Dec. '47.

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Stations at Moscow and Baku broadcast to Iran in Persian and Turki; those at Yerevan and Tbilisi use Turki and Armenian; Baku also makes use of Armenian (MA Teh. R-247-46, 9 Nov. '46). Tashkent also broadcasts to Iran in Persian.

The USSR uses certain of its stations to incite separatist tendencies among the population of Azerbaijan. In such cases the transmitter is not identified by its regular call letters but by a name appropriate to the cause which it sponsors. Such broadcasts began shortly after the collapse of the DPA regime (MA Teh. M-3007, 7 Jan. '47). A station operating on a frequency of 790 kilocycles, with a power of probably not less than 2,000 and not more than 5,000 watts (FBIS), displayed considerable activity beginning in late 1947. This station, probably located in Soviet Armenia or Soviet Azerbaijan not far north of the Iranian frontier, called itself the "Azerbaijan Democratic Association Station" when broadcasting in Azerbaijani, while in Kurdish it was announced as the voice of "Independent Kurdistan" (Teh. 1183, 2 Dec. '47). Its attacks against the Iranian Government and US activity in Iran were quoted by the pro-Soviet press at Tehran (Teh. 1179, 1 Dec. '47).

The Soviet Embassy at Tehran also conducts a Russian and Persian language program over Radio Tehran, the Iranian Government station. This program includes four periods weekly: on Sunday a half hour of music; on Monday a fifteen-minute political program, on Wednesday a half-hour cultural program; on Friday a half-hour political program (MA Teh. R-247-46, 9 Nov. '46). The Russian language section of this program includes attacks on the Iranian Government (Teh. 902, 26 June '46).

(2) *The Soviet Press.*

Tass, the official Soviet news agency, maintains representatives at Tehran and Tabriz. In addition to their official duties, these representatives are known to engage in clandestine activities, as is true of Tass representatives in other countries.

The USSR publishes a newspaper in Persian called *Dust-i-Iran* (Friend of Iran). Originally a weekly published by the Soviet Embassy at Tehran, after November 1945 it appeared as a biweekly, issued by the Tehran office of VOKS.

After November 1945 *Dust-i-Iran* contained Moscow press releases on current events in Iran which gave the line for editorials in the Tudeh Party press (Teh. 1571, 9 Dec. '46). This paper was also used to spread anti-American propaganda (Teh. 1633, 27 Dec. '46).

Russian-language papers published at Tehran include the *Moscow Telegram* (Moskovskaya Telegramma) and *News of the Day* (Novesti Dnya), a daily issued by the Soviet Embassy. Moreover, a number of papers and periodicals printed within the USSR find their way into Iran, including *Pravda* and *Izvestia*; the *Communist*, published at Baku in Turki; and Armenian papers published at Yerevan and elsewhere (MA Teh. R-89-45, 27 Aug. '45 and MA Teh. R-247-46, 9 Nov. '46). During the war, *Vatan Yolinda*, an official Soviet paper for Turki-speaking Soviet troops in occupation of Iranian Azerbaijan, was widely distributed in that area (OSS A-62994, 29 Oct. '45).

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During the period of the autonomous regime at Tabriz a monthly magazine, *Azerbaijan*, printed in Turki, was very popular. The magazine, of large format and lavishly illustrated, was distributed by the Society of the Friends of Soviet Azerbaijan and was probably printed at Baku. It was printed in Azerbaijan Turkish (Turki) in Arabic characters and hence aimed specifically at Iran since both Turkey and the USSR now use other alphabets in writing Turkish (MA Teh. R-247-46, 9 Nov. '46).

The USSR maintains a large book store and novelty shop at Tehran. Its stock, however, contains very little material in Persian on the USSR.

b. *The Soviet-inspired Iranian Press.*

A segment of the Iranian press, both at Tehran and in the province, receives funds and newsprint from the USSR. Although documentary evidence of such support is scant, the charge is supported by statements of neutral Tehran editors and by known gifts to pro-Soviet editors (A. C. Millspaugh, *Americans in Persia*, p. 178). Convincing evidence, moreover, is supplied by the tone, attitude, and timing of this press, with its reliance upon biased news items and articles, and its coordinated emphasis upon similar themes. The majority of the papers of this segment of the press have a circulation of only a few hundred copies, while some appear at irregular intervals. They are obviously operated at a financial loss which could not be borne by the Iranian owner and editor. Their principal value to the USSR is for quotation for propaganda purposes (Teh. 1571, 9 Dec. '46).

These papers include the Tudeh Party organs *Mardom* (which also appeared under the names of *Rahbar* and *Razm*); leftist organs of which *Iran-i-Ma*, *Shahbaz*, *Nejat-i-Iran*, *Bastan*, and *Mard-i-Imruz* are currently the most prominent; and other papers formerly affiliated with the Freedom Front. A number of pamphlets containing selected articles from this press may be assumed to have had Soviet financing.

Soviet-sponsored regional movements, the Democratic Party of Azerbaijan and the Democratic Party of Kurdistan, were supported by a strongly pro-Soviet press. The Kurdish movement issued a paper and a monthly political magazine, both called *Kurdistan*, and two literary magazines, *Havar*, and *Hilal*, published on a press donated by the Red Army. In an effort to establish controlled press relations with a minority group in Iran, Soviet officials are known to have proposed to an Armenian editor at Tehran that he publish an Armenian-language paper which would be supported and guided by the Soviet press representatives (SSU A-70361, n.d.). The pro-Soviet Armenian newspaper *Veratznound* is currently published in Iran (Teh. desp. 558, 4 December 1947).

c. *The Coordinated Operation of the Soviet and Soviet-inspired Press.*

(1) *General Policy.*

The Iranian press is supplied with a mass of material by the Soviet press and radio, and by Soviet officials in Iran (MA Teh. R-247-46, 9 Nov. '46). A good deal of this material comes from *Pravda*, *Izvestia*, the *New Times*, and Tass press releases, and is distributed in Russian texts or Persian translations by Soviet officials. This material falls into several categories: material hostile to the Iranian Government; mate-

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rial indicative of the Soviet attitude toward current international affairs; and material on the political, economic, social, and cultural activities of the Soviet Union. Material of the first two categories is used by the pro-Soviet press of Iran, but material of the last category also fills considerable space in the neutral press, which has a larger circulation.

The value of the pro-Soviet Iranian press to the USSR is not only the part it may play in influencing local opinion, but the fact that it furnishes a steady stream of material for quotation and world-wide distribution by the Soviet press and radio. Such quotations, bolstered by appropriate commentaries, are represented as expressing the true state of Iranian opinion. This same material is also redirected toward Iran.

(2) *Attack on the US.*

The concerted policy of the coordinated Soviet and Soviet-inspired press includes attacks on various foreign powers, but those directed against the US are of special interest (OIR 3619.5, Recent Press and Radio Attacks on American Activities in Iran, Situation Report, 11 March 1947).

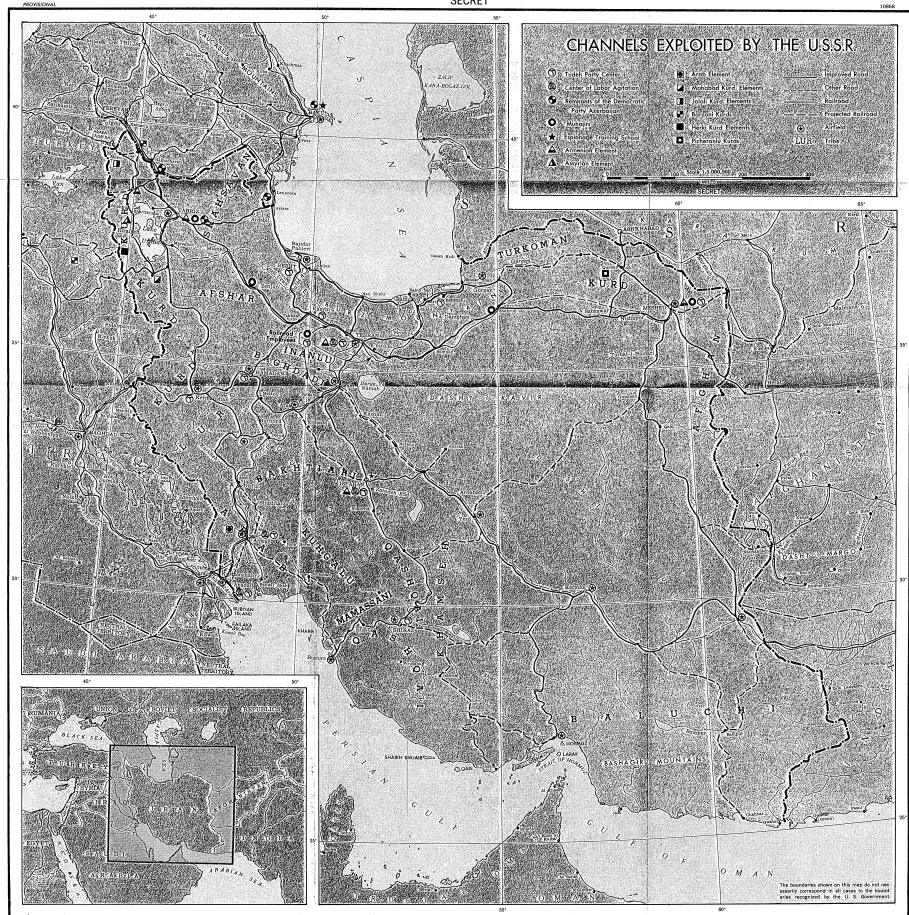
These attacks represent the US as a menace to world peace and order, and charge it with actions and intentions prejudicial to Iranian interests, and with interference in Iran's internal affairs. The US is accused of endeavoring to establish in Iran a base of operations against the USSR, a charge based upon the presence of two US advisory military missions in Iran. The US is also charged with attempts to control Iran's oil resources, and with efforts to dominate Iran in the economic field by forcing a loan on the Iranian Government.

Such attacks are designed to discredit the Iranian Government by implying that it is under US control; to discredit US efforts to sustain Iranian independence; to hamper US efforts to aid Iran, and to give currency to the idea that Soviet collaboration in Iran is needed to offset US designs and activity.

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