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**ACTUALITY OF THE PRESENT REGIME  
IN IRAN**

*Submitted by the*

**DIRECTOR OF CENTRAL INTELLIGENCE**

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

*Concurred in by the*

**INTELLIGENCE ADVISORY COMMITTEE**

*on 26 August 1958. Concurring were The Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Director of Naval Intelligence; the Assistant Chief of Staff, Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.*

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## STABILITY OF THE PRESENT REGIME IN IRAN

### THE PROBLEM

Considers the prospects for stability of the present regime in Iran.

### SUMMARY

1. The swift and brutal overthrow of the monarchy in Iraq shocked and frightened the Shah of Iran and almost certainly caused him to reappraise the future of his personal position and his program in Iran. There is basic and widespread dissatisfaction with his regime, both in the army and in the urban population generally. If he were to take dramatic and effective steps to reform the corrupt social, political, and economic system, he might be able to maintain his position for some time to come. We believe, however, that his character and situation are such that he is unlikely to take such drastic actions.

2. We believe that the present political situation in Iran is unlikely to last very long. The most probable development is a coup by certain military elements, possibly in collaboration with civilian elements desiring liberal reforms, to force the Shah back into the role of a constitutional monarch. In its initial stages at

least, such a movement would almost certainly not aim at the overthrow of the monarchy, nor would it be ultra-nationalist in character. Although this movement would probably effect significant political reforms, it is doubtful whether it would be much more effective than the Shah in satisfying the expectations of the people for broader economic and social reforms. Its leaders would probably contemplate no basic changes in Iranian foreign policy. It might cause the Shah to flee the country, even though it was not intended to have that effect.

3. The possibility of a coup to overthrow the monarchy cannot be disregarded. On the whole, we think such a coup unlikely in the immediate future, because we believe that the army does not now desire it. But if in the reasonably near future there are no substantial reforms of the Iranian political, economic, and social structure, we think that the overthrow of the monarchy is likely.

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## DISCUSSION

4. During the past two years the Shah of Iran has succeeded in consolidating all power under his personal authority, and today he controls even the day-to-day functions of government. At the same time, his personal prestige has progressively declined. He is criticized for the continuance of near-feudal economic and social conditions in the country. In spite of his well-intentioned public pronouncements concerning social and economic reforms, there is today little belief in the country that his rule will bring such reforms.

5. Although a facade of representative government has been preserved it is regarded by the vast majority of politically conscious Iranians as a farce. Elections are strictly controlled, debate in the Majlis is limited, and all real opposition elements are suppressed through arrests and censorship. Opportunities for political expression and responsibility have decreased over the past two years.

6. At the same time basic economic and political discontent has mounted as the total wealth of the country has increased. It is the popular belief in Iran that the country's growing revenues have gone mainly to enrich the ruling class. Actually a sizeable proportion of these revenues has gone into the Plan Organization, but the results, although not insignificant, have fallen so far short of the optimistic expectations of the people that the net political impact has been adverse. Wealth is concentrated in the hands of a small group. The growing expectations of the urban masses for an improvement in their standard of living, which are not being met, constitute an increasing source of discontent. Flagrant corruption and nepotism continues throughout the government, and the predatory economic activities of the royal family and of the court circle evoke widespread resentment and disgust.

7. In this situation a majority of the politically articulate population of Iran has little faith in the regime. Many, including some conservative military leaders and members of the ruling class, feel that the Shah has been

inconsistent and indecisive, and has shown himself incapable of running the country efficiently. Some feel that the institution of the monarchy is outmoded and that a different form of government is needed to make Iran a dynamic and progressive country.

8. Although it is clear that there is widespread disaffection, we have only limited knowledge of the organization, membership, and military support of existing opposition groups. Former Prime Minister Mossedeq remains a symbol of nationalist opposition, although he is not now politically active and is unlikely again to assume a position of real leadership. Several different nationalist groups are known to exist and to have been in liaison from time to time. We do not know of any group of any political complexion which is now capable of effecting a successful coup. Yet it is entirely possible that such a group exists, especially in the military.

9. The illegal Tudeh (Communist) Party, and the Arab and Kurdish minorities will probably remain potential sources of trouble for any Iranian government. The Tudeh, though greatly weakened since the fall of Mossedeq, remains covertly active. It could probably disrupt oil operations in the Abadan area if it was supported by radical Arab nationalist pressures. Pan-Arab sentiments in the Abadan area and a revived Kurdish independence movement in the northwest could contribute substantially to chaos in Iran if the central government lost control of the situation.

10. *Role of the Military.* The stability of the Shah's government depends, in particular, upon the loyalty of the army and its active support in a crisis. We believe that there are some senior officers who would be willing to initiate a movement reducing the power of the Shah, and many who would support such a movement if it gave promise of success. Above all, these officers desire a strong man to head the government of Iran. As for the junior officers, the existence in the services of the same type of corruption and favoritism as

crisis in the civil governments makes it virtually certain that there is considerable dissatisfaction among them. We believe that loyalty to the Shah in the armed services is not strong enough to insure their active sup-

port for him in the event of an attempt to curb his power. We believe that additional US military assistance will in itself be of little effect in changing the attitude of the army toward the Shah.

## OUTLOOK

11. We believe that the present stagnant situation in Iran is unlikely to last very long. The Shah's government is an attempt by the military and the military, possibly in collaboration with civilian groups desiring liberal reforms, to force the Shah to return to the role of constitutional monarch. We do not believe that the leaders of such a move would intend to overthrow the monarchy. They would probably aim to accomplish some important political reforms, though it is doubtful whether they would be much more effective than the Shah in satisfying the expectations of the people for broader economic and social reforms. The movement would not be ultra-nationalist; its aims would not be the same as those of Mossedeq. It would probably not change the generally pro-Western alignment of Iran, though its foreign policies would tend to be more independent of Western influence than those of the Shah. We believe that any of the various military "coups" which have lately been rumored would probably be of this nature. The possibility cannot be disregarded, however, that such a movement, initially moderate in its aims and policies, might in the course of time be impelled into more extreme courses, including an attempt to eliminate the Shah.

12. Another possible development, which we consider unlikely, is that the Shah himself should begin to take forceful and determined steps to eliminate corruption in government, to accelerate economic reforms, and to establish at least the beginnings of genuine popular participation in the government. If this were to occur, there would be a fair chance of orderly political evolution. But the character of the Shah is such that it would be extremely difficult for him to relinquish absolute control of the government and to give political responsibility to those he thinks of as enemies.

Furthermore, he would have to carry through programs which would damage the special interests of the royal family, the Court, and the ruling class. We believe the Shah will be extremely reluctant to take such actions and would be likely to do so, if at all, only under heavy and continuing pressure from the US.

13. The possibility of a coup to overthrow the monarchy cannot be disregarded. On the whole, we think such a coup unlikely in the immediate future, because we believe that the army does not now desire it. But if in the reasonably near future there are no substantial reforms of the Iranian political, economic, and social structure, we think that the overthrow of the monarchy is likely.

14. Assassination of the Shah remains an ever present possibility. He has established no clear succession to the throne. If he should die, we believe there would probably ensue a chaotic struggle for power which would produce a period of unrest and instability in the country until some group or individual could establish dominance.

15. *The Role of Economic Development.* The wealth of Iran should grow significantly during the next few years as oil revenues increase and other development continues. However, we do not believe that this growth will much improve the Shah's capabilities for remaining in power, if current social conditions remain unchanged. And as long as there is a general belief that the benefits of economic development and foreign aid are going principally to the ruling class, the improvements which accrue to the majority of the population will be looked upon as less than their rightful due. In this situation US economic assistance — except as a stopgap in a period of financial crisis — would have little effect upon the basic stability of the political situation.