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22. The survival of the Mosadeq government, however, will not depend solely upon its ability to avert a financial crisis. The popularity of the Mosadeq government derives primarily from its success in ~~allegedly restoring Iranian independence by evicting the British~~ <sup>"liberating" Iran from</sup> ~~interference.~~ The forces which it has unleashed during the past year, however, are not likely to subside now that the AIOC has been ejected. If Mosadeq cannot keep alive the theme of Iran's fight for independence and at the same time establish hope for economic improvement as, for instance, through Point IV, IBRD or EXIM Bank aid, he will lose popular support. In those circumstances three interrelated possibilities may emerge: (1) The Shah ...

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23. If, as now seems likely the National Front has an ostensible majority in the 17th Majlis that majority, either under Mosadeq or more extremist leaders such as Makki or Kashani, will split on specific issues, other than British interference, and that the National Front will find itself with a new conservative opposition and a Tudeh opposition which will force it to undertake reforms but will hamper their rapid implementation. The Tudeh Party, although not now capable of seizing power and likely to elect only a small minority of sympathizers to the new Majlis is the only disciplined party in Iran which offers a clear-cut program of social and economic reform. Developments are likely to force the government to adopt programs and methods which in part coincide with Tudeh aims and thereby reduce the gap between the government and Tudeh and could substantially increase the Tudeh potential for eventually gaining control over the country.

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25. We thus believe that during 1952 there will be a gradual trend toward social and political changes which will progressively weaken the power of the traditional governing groups. This may be accompanied by an increase of authoritarian measures reducing the gap between the government and Tudeh and facilitating Tudeh subversion of the police and army.

26. The Shah has the constitutional power to dissolve the Majlis and is likely, for some time to come, to retain the support of the armed forces necessary to back up such a move. It is extremely unlikely, however, that the Shah will wish to face a showdown with Mossadeq as long as the latter's popular support is strong. Such an attempt might well lead to uncontrollable civil disturbances. As support for Mosadeq weakens, however, the chances of removing him without widespread disturbances might improve. On the other hand he might be replaced by the Shah by another National Front figure, such as Makki. As the consequences of Mosadeq's policies become more evident, the wealthy merchants and landlords will become progressively more alarmed at the threat to their position and will probably emigrate so far as feasible thus further weakening the Shah's potential power. In the event of Mosadeq's death, the likelihood of a traditionally conservative attempt to regain control of the government would markedly increase, but the chances of its success remain slim.

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27. If the conservatives were initially successful in assuming control, they would certainly not be able to retain for long a government of the pre-Mosadeq type. Any successor government would be confronted with the same social and economic problems. An attempt by a new government to obtain an oil settlement which restored British control would meet with vigorous opposition by the National Front and the Tudeh Party. Consequently, it is almost certain that in order to stay in power and cope with the situation, any government would have to make concessions to liberal, possibly socialist sentiment, would require US or other economic and military aid and would have to employ increasingly authoritarian measures to maintain an adequate degree of stability. Although the possibility of a military coup d'etat exists, no leader has yet emerged who has the Shah's backing in establishing authoritarian rule or who could establish a dictatorship without the strong support of the Shah.