

*File B*

PERSIA

2 September 1953.

POLITICAL

REVIEW OF THE RECENT CRISIS

STATE DEPT. DECLASSIFICATION REVIEW  
 Retain class'n  
 Declassify  
Change/classify to \_\_\_\_\_  
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after \_\_\_\_\_

EO 12958, 25X  
IPB/CR/IR by J. C. KATIG Date: 4-21-99

PHASE I.

1. The following is a narrative of the circumstances which culminated in the events of the 19th - 21st August.

2. On 11th July the text of the letters exchanged between Dr. MUSADDIQ and President Eisenhower was published in the Persian press. Political circles in Teheran considered the President's reply as the final word of the U.S.A. in the oil dispute and American embassy officials claimed that it had been drafted after careful consideration of the consequences involved, including the probable drift of Dr. MUSADDIQ into the Soviet camp.

3. On 20th July, General ZAHIDI, who had been in sanctuary in the Majlis during the previous two months, left the Majlis premises after receiving an assurance from the government that he would not be molested, as long as he did not indulge in anti-government activities.

4. By 25th July, General ZAHIDI's whereabouts were unknown, and it was rumoured that he was in hiding. Reliable reports indicated that he was secretly in touch with the Shah and the American Embassy. It was widely believed that the U.S. government favoured the overthrow of Dr. MUSADDIQ's government.

5. On 26th July Mr Henderson, the American Ambassador, who was in Europe on holiday was visited by Mr Melbourne the Chief of the Political department of the American Embassy in Teheran. There were many rumours to the effect that the American Embassy favoured General ZAHIDI as successor to Dr. MUSADDIQ, while the Shah, who did not repose much confidence in ZAHIDI, preferred someone else.

6. On 27th July it was reported that Princes Ashraf's visit to Teheran was connected with certain activities behind the scenes.

7. Mr Dulles' statement at his press conference on the 29th July that he was concerned about growing communist activities in Iran, was regarded in Teheran as a warning to Dr. MUSADDIQ to stop flirting with the Tudeh and Soviet Russia.

8. Certain personalities who are in very close contact with the Shah were reported to have stated on the 3rd August that the Shah had declared that great changes would take place shortly. It was believed that General Schwartzkopf, former American adviser to the Persian Gendarmerie, who had an audience with the Shah /....

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Date: 4/21/99

had discussed with him the full details of a military coup d'Etat.

9. Government circles showed great apprehension at President Eisenhower's statement of August 4th to the effect that he would take the necessary steps to stop Persia going behind the Iron Curtain.

10. On the 8th August the Tudeh press declared that a Military Coup d'Etat was being planned by the Shah.

11. According to reports received on the 9th August, secret meetings were taking place between the Shah, General ZAHIDI and certain American Embassy officials.

According to reliable reports received on 10th August, the American Embassy had secretly handed over large sums of money to certain influential people, including AYATULLAH BIHBHANI, the well-known ecclesiastic. Certain sources in close contact with General ZAHIDI stated that all plans had been laid for a military Coup d'Etat, and that the American Embassy was directing and encouraging them in order to overthrow the government. It was added that the Americans considered Dr. MUSADDIQ as too deeply committed to Soviet designs.

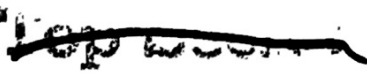
12. On 11th August, the Shah and the Queen left for Ramsar, on the Caspian Sea, for a holiday.

13. On 13th August the Shah issued a firman dismissing Dr. MUSADDIQ and appointed General ZAHIDI Prime Minister. This firman was secretly conveyed from Ramsar to Teheran by Colonel NASIRI, Commander of the Imperial Guard.

14. On the 14th August the Tudeh press published further details about the suspected Military Coup d'Etat. It was widely rumoured in Teheran that the Tudeh Party was supplying the Prime Minister with information on the movements of army units. The Prime Minister was reported to have issued instructions to the general staff to take measures for countering the coup.

15. Late on the evening of the 15th August, Colonel NASIRI went to the house of the Prime Minister and delivered a copy of the Royal firman to the officer in charge of the troops defending Dr. MUSADDIQ's house. As soon as he left the house he was arrested.

It seems that the plan was for the Imperial Guards to occupy the general staff and Police headquarters, the radio station and other important centres at the same time that the firman was being delivered to Dr. MUSADDIQ's house. Something went wrong, and the plan failed. It was believed that junior officers in the Guards Regiment, who had Tudeh sympathies, disrupted the plan.



16. On the 16th August the Government announced the failure of the Coup d'Etat. Mass meetings were held demanding the establishment of a republic. Soon after the radio had broadcast that the Coup d'Etat had failed, the Shah and the Queen left Ramsar for Baghdad.

## PHASE II

1. On the 17th August crowds of Tudeh and other government supporters smashed and pulled down four statues of the Shah's father, which stood in public squares of Teheran. A statue of the present Shah erected in the public park was also overturned. In all government offices photographs of the Shah were pulled down and trampled on. The same thing happened in the provinces. Youths, mostly Tudeh followers roamed the city streets shouting "Death to the Shah", and "End the dynasty". The pro-government and Tudeh press published editorials demanding the establishment of a republic, and claimed that the Shah was no longer monarch because he had fled the country. Dr. FATIMI, the Minister of Foreign Affairs, published under his own signature a most venomous and scurrilous article against the Shah in his newspaper "BAKHTAR-E-IMROUZ".

2. The Government spokesman announced that Persia had requested Iraq to take the necessary steps to avoid any incident between two friendly and neighbouring countries. He also stated that the Persian Ambassador and his staff in Baghdad had been instructed to avoid all contact with the Shah.

3. Dr. MUSADDIQ and his National Front advisers were in conference all day to find a solution to the difficulties which had arisen. Tudeh Party leaders were urging Dr. MUSADDIQ to issue a decree stating that the monarchy had ended in Persia, and had been replaced by a republic. They assured him that he would be elected as the first president of the Persian republic. It was learned that Dr. MUSADDIQ was opposed to this suggestion, and that for the time being, he favoured the establishment of a Regency Council, composed of three of his nominees. He proposed that, after appointment of the Council, a second referendum should be held to obtain public confirmation of this action. Throughout the day emissaries went back and forth between the Tudeh and the Prime Minister to reconcile these two views. In the end a compromise was found, under which a Regency Council was to be established at once, and a third referendum was to be held later to establish the "Will of the people" regarding the republic.

The Government spokesman announced that no change of regime was contemplated by the government, but that a council or other appropriate body would

have to be established in order to carry out the duties of the Shah who had deserted the country.

4. The Opposition press published photographs of the Royal Firman which appointed General ZAHIDI Prime Minister, and stated that in the absence of the Majlis, the Shah was the sole authority empowered to dismiss and appoint Prime Ministers. Therefore, Dr. MUSADDIQ's government was no longer lawful and should be considered as in rebellion against the legal government of the country.

5. It was learned on the 17th August that General ZAHIDI had succeeded in winning over the commander of the motorised regiment as well as the Chief of Police. It was also established that a second attempt would shortly be made to overthrow MUSADDIQ's government.

6. Mr Henderson, the American Ambassador, arrived in Teheran.

7. On the 18th August, hundreds of Tudeh demonstrators paraded the streets and demanding the establishment of a "Democratic Republic".

Tudeh leaders warned MUSADDIQ that a second military coup was in preparation to overthrow his government. They asked him to supply them with 10,000 rifles and small arms, so that they could defend his government. In reply, Dr. MUSADDIQ asked for more details, which apparently the Tudeh were not in a position to supply.

The Shah and the Queen left Baghdad for Rome, and the pro-government press continued to state that his departure from the country amounted to his abdication. It was learned that the Shah's departure from Baghdad had relieved government circles to some extent, because they feared that he might have gone to Tabriz and started a movement against the central government from there.

Dr. MUSADDIQ and his advisers were busy throughout the 18th August putting the final touches to the inauguration of the Regency Council, and arranging details for holding the second referendum.

Mr Henderson called on the Prime Minister during the afternoon and, according to a reliable report, warned him that his continued persistence in remaining in office was not in the best interests of Persia. It was learned that Dr. MUSADDIQ strongly resented this warning, and told Mr Henderson that he had no right to interfere in the internal affairs of the country. Their meeting ended abruptly.

only the commanders of regiments, the Chief of Police, and Ayatullah BIHBIHANI, who was responsible for organising demonstrations, knew of the plan, and the Tudeh had therefore no chance of discovering the plot beforehand.

8. About 8.a.m. on the 19th August a crowd of about 3,000 men armed with clubs and sticks started an anti-Musaddiq and pro-Shah demonstration in the Southern part of the town. They roamed through the streets shouting, "Long Live the Shah" and "Death to Musaddiq the traitor". Most of these men although possibly inspired by royalist sentiments, had obviously been hired for the purpose; among them there were a large number of unemployed persons and many well-known hooligans. About the same time, the Chief of Police issued orders that demonstrators should not be interfered with.

Part of the crowd proceeded to the bazaar, and threatened to loot the shops. The effect was instantaneous, and the bazaars were closed. The crowd grew as time went on and a large number of well-to-do people, who resented MUSADDIQ's government and specially his recent pro-Tudeh policy, joined the demonstrators. A large number of lorries and busses, hired early in the morning, then appeared on the scene and provided demonstrators with free transport. These vehicles then roamed through the town, and their occupants shouted slogans, and began a war of nerves to arouse emotions in favour of the Shah.

It soon became evident that the whole police force was showing sympathy for the demonstrators, and that police officers were in some cases directing the movement of demonstrators. Dr.MUSADDIQ at once dismissed the Chief of Police and ordered that he should be arrested. He also instructed the army to send tanks and armoured cars to disperse the crowds. Naturally, the orders issued by the general staff were not obeyed immediately, and when they were carried out a few hours later, soldiers arriving on the scene were easily persuaded by the crowds to join them in defence of the Shah.

Between 9 and 12.00 a.m. the headquarters of three pro-government political parties, and offices of half a dozen newspapers supporting Dr.MUSADDIQ were ransacked by demonstrators and set on fire. The crowd then attacked the offices of the Tudeh newspapers, where they met some resistance, which was soon overcome.

Truckloads of soldiers, armoured cars and tanks were dispersed throughout the town by lunch time, and in certain instances fire was opened on the crowd. In most cases however troops joined the demonstrators.

At 2.30 p.m. the radio station was captured by General ZAHIDI's followers,

and the speaker announced that the rising had been successful, that Dr. FATIMI had been torn to pieces, that all government offices had been captured, and that Dr. MUSADDIQ had fled. (These false reports had an immediate effect throughout the capital and the country and demoralised supporters of the government who might have wished to resist.) The announcer then read the Royal Firman appointing General ZAHIDI Prime Minister. A little later General ZAHIDI spoke over the radio and announced the programme of his government.

Between 2.30 and 3.30 General Staff Headquarters, and other government offices were captured without much resistance. By 4 p.m. General ZAHIDI was master of the situation, and had established his headquarters at the Central Police Office. Then came the attack on Dr. MUSADDIQ's house. At first, a large crowd attacked his residence, but were driven back by machine-gun fire, and many people were killed and wounded. A second attack supported by pro-ZAHIDI troops also failed. By this time heavy Sherman tanks arrived on the scene, and started bombarding the house. About 6 p.m. the defence of the house was given up, and the gate was broken down. The crowd then entered the house, looted all its contents and set fire to it. The house of Dr. MUSADDIQ's son, which is situated next door, was treated in a similar manner. In the evening all political prisoners were set free and General ZAHIDI assumed power.

It was reported that at 10.00 a.m. DR. MUSADDIQ had telephoned his Tudeh friends and expressed his willingness to supply them with arms; but they declined the offer and said that it came too late.

It is widely believed that the success of the coup was due to the fact that it was well planned, that it was kept secret, and that plenty of money was made available to carry it out.

9. Throughout the 20th August, General ZAHIDI was consolidating his position, and selecting his colleagues to serve in the cabinet. He announced that all army officers placed on the retired list by Dr. MUSADDIQ could apply to the General Staff for reinstatement.

Dr. MUSADDIQ, Dr. SHAYEGAN, Dr. SADIQI and Mr. Moazzami who had fled from Dr. MUSADDIQ's house and had taken refuge in a nearby house on the previous day were discovered and arrested. Orders were issued for the arrest of all National Front leaders. Dr. MUSADDIQ and his three colleagues were taken to the Officers Club for detention. All those officers who carried out Dr. MUSADDIQ's orders yesterday were arrested. It is estimated that over 50 persons were killed on the 19th

August and that 300 were wounded.

10. The Shah

The Shah returned to Teheran on the 22nd August and was met at the airport by members of the government, senior army officers, and members of the diplomatic corps. He drove from the airport to his Summer Palace escorted by armoured cars and tanks. In the evening he broadcast to the nation thanking them for their support and for their valiant rising in defence of the independence of the country, which he said was gravely endangered. He added that he would gladly give his life for the people who had shown such magnificent loyalty, and pledged himself to serve the nation. He concluded by saying that all those who had violated the Constitution would shortly be brought to trial.

General opinion was that recent events had again confirmed that the monarchy was still popular in Persia, because of its historic traditions. It was considered to be the symbol of national independence and sovereignty and the bulwark against communism. The future popularity of the Shah was generally agreed to be dependent on whether he acted as a strict constitutional monarch, or whether he resorted to his previous practises, which had made him so unpopular in recent years. It should not be forgotten that measures adopted by Dr. MUSADDIQ to restrict the Shah's interference in the army had the universal support of the people, and that any future infringement of the Constitution by the Shah would be met by the opposition of all progressive elements in the country.

11. The Majlis

It was learned that the government considered the dissolution of the Majlis and the recent referendum as invalid and that they proposed to hold elections in the constituencies which did not elect members of the 17th Majlis and which could return 57 members. This number together with the 23 members who had not resigned would provide the necessary quorum for the Majlis to meet.

The members of the Senate also claimed that the dissolution of their house, carried out by Dr. MUSADDIQ, was invalid. (This is however a controversial question, which does not seem to have much popular support.)

12. The Oil Dispute

In reply to a question put to him by Mullah Kashani, General ZAHIDI stated that he did not propose to pay any compensation and that he was not in favour of the A.I.O.C. returning to Iran.

At a press conference, General ZAHIDI said that the most urgent problem

for Persia was the introduction of internal reforms; the settlement of the oil problem must come afterwards.

It was believed, however, that these statements should not be taken as official commitments, as they were primarily designed to calm down public anxiety. It was taken for granted that the settlement of the oil dispute would be one of the first problems to be tackled by any government. However, everybody agreed that no useful purpose would be served by initiating any discussions until the government had undone the previous government's propaganda and removed past misrepresentations. A healthy and calm atmosphere was required before reasonable discussions and negotiations could take place.

### 13. Perso-American Relations

The general feeling in Teheran among influential people was one of jubilation that the U.S.A. should have come to the country's rescue when Dr. MUSADDIQ was about to deliver it to the Tudeh Party. There was general agreement that, were it not for America's assistance and guidance, its financial contribution, and its encouragement to the Shah to withstand further humiliation, the plan for the overthrowing of MUSADDIQ's government could not have succeeded. Unfortunately it appeared that these influential persons regarded American support as something obligatory and continuous, which would enable them always to shelter behind it and continue, as in the past, without paying any real attention to the basic needs of the country.

### 14. The New Government

General ZAHIDI presented his government to the Shah on the 23rd August. No ministers for War, Interior, Foreign Affairs, and Post & Telegraphs were named. These ministries were to be administered by Under-secretaries until Ministers were appointed; in the meantime General ZAHIDI proposed to keep a close watch on them himself. Three of the Under-secretaries are military men, and the cabinet has the appearance of being dominated by the army. The general public seemed greatly disappointed with the new cabinet, and many observers believed that it would have a short life.

### 15. The Tudeh

Since the fall of Dr. MUSADDIQ, the Tudeh has kept a complete silence, and all its newspapers have been suppressed. The bazaars have been closed since the 19th August, owing to Tudeh intrigues and threats that if they opened their shops they would be looted. The government was endeavouring to persuade the merchants to



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- 9 -

open their shops and offices, but up to the evening of the 23rd no success was achieved.

All indications were that the Tudeh was mobilising itself for a general attack on the Shah and the new government. It was learned that the Tudeh was trying to enlist the backing of all those who had supported the previous government, all the "progressive" elements who had already been disappointed with the new government, in order to form a united front. Well-informed observers believed that the Tudeh would become very much more active in the near future.

15. Certain influential persons were reported to consider that it was essential for the new government to put forward a radical and progressive policy. Otherwise, it would provide the extremists of the left with ample opportunities for exploiting any signs of reaction.

These same influential circles were believed to be tending towards considering that the appointment of General ZAHIDID would, in itself, encourage the Tudeh, on the grounds that the allegations of incompetence and corruption which were being levelled against him would enable the Tudeh to point to him as a mere paid creature of the U.S.A.

On the other hand, it is also reported that there were certain well placed persons who considered that General ZAHIDI was the best man to deal with the situation under existing circumstances, but that he would eventually be replaced by someone more politically acceptable.



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