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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

Senior Review Panel

NIC 9079-83/2
6 January 1984

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Intelligence Estimates on Iran, in Senior Review Panel Report on Intelligence Judgments Preceding Significant Historical Failures: The Hazards of Single-Outcome Forecasting

1. The Aborted NIE. In your memorandum of December 19, commenting on the SRP report of December 16, you raised some questions about our study of the estimative record on Iran. In particular, you asked for a copy of the aborted NIE 34-1-78. Copy was sent to you on December 23. This was dated August 23, 1978, and carried the title Iran: Continuity Through 1985; the title was indicative of the basic theme, which avoided serious speculation concerning any alternative to a continuation of the Shah's regime. The cover note says an NFIB representatives' meeting would be held on August 30, and NFIB was scheduled to consider it on September 12, 1978. NFIB never considered it, and official burial by NFAC occurred on February 1, 1979.

2. Speculation About the Shah. You have asked whether there was speculation that the Shah was finished, and what the alternatives might be. There was a little speculation in the estimative work concerning the Shah, but only in purely personal terms: i.e., what would happen if he died, either of natural causes or by assassination? Up until November 1978, the answer was that the monarchy and political-social structure would survive, held together by the Crown Prince, the Empress, the elite, and the military.

What is interesting in this context is the apparent absence of the kind of medical and psycho-medical analysis one would have thought essential in a situation where the individual has such a key role. Judged by later events, the Shah was not in good physical health. Also much reporting on conversations with him showed him often depressed, moody, and fatalistic in his reactons to the situation around him. (Mr. Amuzegar, formerly the Iranian IMF Executive Director, and now a consultant to the

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IMF, told me recently that the Shah went to his grave firmly believing he had been overthrown as a result of a Soviet-US plot, and that he hoped by leaving to save the throne for his son.)

As indicated in our memorandum of December 16, it was not until late November 1978 that the intelligence community considered that the Shah might fall (tab K, p. 2, first paragraph). A military regime was seen as a likely successor, with a radical government based on the religious opposition less likely.

3. Senate Briefing. Since writing the comments for the December 16 paper, I have come across an estimative item not previously at hand--a talking paper used in a briefing of the Senate Foreign Relations Committee on September 27, 1978. The briefing was done by a team headed by Bob Bowie, Director of NFAC. The talking paper recognizes the substantial but divided opposition to the Shah, explains his reaction, says martial law has greatly improved the situation, and predicts that a combination of reform, political liberty, and armed force will put the Shah in a position where he "will probably meet the challenge." Possibilities for overthrow and a radical regime are not mentioned. Copy of this paper is attached herewith.

4. Savak. Acquaintance over the years with various US officials who were involved in Iranian relations has brought out strongly the point that US views and intelligence were heavily influenced by our long-term ties with Savak. Obviously effective intelligence collection and analysis must be independent of other national services, and in the Iranian case they clearly were not.

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Attachment:
Briefing paper, "Situation in Iran," dated 27 September 1978

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Distribution:
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1 - DDCI
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